

Troy R. Swecker, Valley Head, W. Va., in place of N. S. Wood, resigned.
 Walter S. Bambrick, Weirton, W. Va., in place of S. P. Shlanta, removed.
 Mary L. Vance, Whitmans, W. Va., in place of Nellie Nix, resigned.

WISCONSIN

Oswald L. Weber, Cedarburg, Wis., in place of G. J. Armbruster, resigned.
 James W. Johnson, Cheseburg, Wis., in place of Sam Johnson, deceased.
 Robert W. Howard, Cornell, Wis., in place of G. E. Shaw, resigned.
 Clarence Keith Hammond, De Soto, Wis., in place of Anna Loftus, resigned.
 Ruby C. Bahr, Fairchild, Wis., in place of R. R. Hoffman, deceased.
 Claude A. Thomas, Forest Junction, Wis., Office became Presidential July 1, 1945.
 Hugo J. Quast, Granton, Wis., in place of O. A. Peterson, resigned.
 Hazel M. Pfeil, Granville, Wis., Office became Presidential July 1, 1946.
 Rudolph C. Trauba, Greenville, Wis., Office became Presidential July 1, 1945.
 Leone C. Mader, Gresham, Wis., in place of F. J. Mader, deceased.
 Donald L. Schulz, Irma, Wis., in place of Henry Magnuson, resigned.
 Robert S. Grogan, Kaukauna, Wis., in place of R. H. McCarty, resigned.
 Edwin L. Saykally, Lake Tomahawk, Wis., in place of R. H. Wirth, deceased.
 Louis W. Kurth, Neillsville, Wis., in place of L. W. Kurth. Incumbent's commission expired April 26, 1942.
 Joan T. Sullivan, Ojibwa, Wis., Office became Presidential July 1, 1947.
 Gordon J. Hansen, Oregon, Wis., in place of C. A. E. Manion, removed.
 August E. Mecikalski, Pelican Lake, Wis., in place of M. A. Whalen, removed.
 John H. Hennessey, Roberts, Wis., in place of W. R. Johnston, declined.
 Otis M. Rude, Viroqua, Wis., in place of R. L. Graves, resigned.
 Otis L. Holman, Westby, Wis., in place of R. M. Grimsrud, resigned.
 Hugo Van Winkle, Winter, Wis., in place of A. N. Donnellan, resigned.

WYOMING

Kenneth L. Wingo, Encampment, Wyo., in place of M. C. Corum, retired.
 Roxanna M. Smith, Lingle, Wyo., in place of M. N. Hanna, transferred.
 Silvio J. Pedri, Reliance, Wyo., in place of Naomi Grove, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 17, 1949:

DEPARTMENT OF THE NAVY

John Theodore Koehler, of Maryland, to be Assistant Secretary of the Navy.

UNITED STATES ATTORNEYS

Frank C. Bingham to be United States attorney for division No. 2, district of Alaska.
 Harry O. Arend to be United States attorney for division No. 4, district of Alaska.
 George L. Grobe to be United States attorney for the western district of New York.

UNITED STATES MARSHALS

Alfred J. Plowden, Jr., to be United States marshal for the eastern district of South Carolina.
 Kehoe C. Shannon to be United States marshal for the western district of Texas.

IN THE ARMY

APPOINTMENT IN THE ARMY OF THE UNITED STATES

Brig. Gen. Hubert Don Hoover, O7924, United States Army, retired, for appointment as major general in the Army of the United States under the provisions of title V, Officer Personnel Act of 1947.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Robert M. Coats et al., for appointment in the Regular Army of the United States in the grade and corps specified, with date of rank to be determined by the Secretary of the Army under the provisions of Public Law 36, Eightieth Congress; Public Law 365, Eightieth Congress; and Public Law 381, Eightieth Congress; were confirmed today, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for February 7, 1949, under the caption "Nominations," beginning with the name of Robert M. Coats, which appears on page 867, and ending with the name of Gus A. Wolman, Jr., which appears on page 870.

IN THE NAVY

The following named officers for temporary appointment to the grade of captain in the line of the Navy:

| | |
|----------------------|-----------------------|
| Griswold T. Atkins | Peter H. Horn |
| Oscar M. Browne, Jr. | Frederick J. Isemann |
| John F. Delaney, Jr. | Leonard T. Morse |
| Harry B. Dodge | Stanley G. Nichols |
| Harry W. Englund | Robert E. Perkins |
| William B. Epps | Manley H. Simons, Jr. |
| James H. Hean | Paul B. Tuzo, Jr. |
| Harold M. Heiser | Frank I. Winant, Jr. |
| Wellington T. Hines | Sanford B. D. Wood |
| Ephraim P. Holmes | |

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 17, 1949

The House met at 11 o'clock a. m.

Rev. Father Louis W. Cheatham, St. Stephen's Roman Catholic Church, Washington, D. C., offered the following prayer:

O God of majesty, creator and sustainer of life, before whom we all bow in profound adoration, graciously accept our humble plea that this day we may obtain Thy enlightenment to discern truth and Thy inspiration to exercise good. Assist these Thy public servants, here assembled in noble body, to voice the sentiments of high-minded citizens, whose special office it is to safeguard this Nation's security and its people's high ideals.

As official representatives of these United States, impart to them, O Lord, in Thy bountiful goodness, the firm impression of their sacred duty to God, to man, and to country. Instill in their minds the lofty principles of Christian life, that they may shine as a beacon before men, governing all decisions by God-fearing prudence and wisdom. Implant in their hearts an unswerving determination to serve the common good of their country with wise forethought, zealous care, and enduring loyalty.

With full acknowledgment of their dependence on Thee, O God of love, we invoke Thy holy name with reverence and awe, and beseech Thee to replenish their souls with Thy heavenly gifts, that in the pursuance of their grave tasks they may engender new hope in the hearts of all men who crave a world of peace and harmony.

Suppliantly, therefore, we look to Thee for divine strength and guidance to uphold Thy standards of justice and charity; and in so doing to counteract the

despotic hand of atheism and tyranny that everywhere seems to threaten our democratic mode of life.

Almighty God, permeate this select group with the holy inspiration to seek the accomplishment of Thy will in all things, that through their stanch efforts our country might flourish with new vigor of spirit, as the champion of man's God-given freedom and human rights.

O Father of lights, these blessings we implore Thee to grant this august body through the mediation of Thy well-beloved Son, Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries.

EXTENSION OF REMARKS

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. HUGH D. SCOTT, Jr., in Huntington, W. Va.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances, and in each case to include extraneous matter.

Mr. HAND asked and was given permission to extend his remarks in the RECORD and include a resolution passed by the House of Representatives.

Mr. POTTER asked and was given permission to extend his remarks in the RECORD and include a speech by Gen. Omar Bradley.

Mr. HORAN (at the request of Mr. POTTER) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD.

A CITIZEN'S ARMY

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, last evening I had the privilege of hearing Brig. Gen. C. T. Lanham speak at the small-business banquet. We, who as Americans, are interested in a citizen rather than a professional army and who have often been troubled over what we have felt to be the attitude of the brass-hats, shall be able to feel that there is a new spirit moving among them.

Many in the large audience agreed that they had never heard so fine a portrayal of the ideals and the imperative central force of an army from any Army man.

It is not the same kind of citizen's army as we had in the early days of our

national life, but an army that thinks of the men that compose it as citizens first and soldiers second. It should be the kind of an army that we, as Americans, can feel it is a citizen's army in the deepest sense of the term.

Mr. Speaker, I ask unanimous consent to extend General Lanham's speech in the Appendix of the RECORD, and hope every member of this House will read it.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. YOUNG asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JACOBS asked and was given permission to extend his remarks in the RECORD and include a letter addressed by him to Mr. Charles E. Wilson, of the General Electric Co., in answer to an 18-item questionnaire.

Mr. MURRAY of Tennessee asked and was given permission to extend his remarks in the RECORD in two instances and insert editorials from the St. Louis Post-Dispatch and the Paris Post-Intelligencer.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HOLIFIELD]?

There was no objection.

EXTENSION OF REMARKS

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a news release from the Veterans of Foreign Wars.

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include a speech made by DeWitt Emery, president of the National Small Business Men's Association.

LOS ALAMOS PROJECT

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 54) to retrocede to the State of New Mexico exclusive jurisdiction held by the United States over lands within the boundaries of the Los Alamos project of the United States Atomic Energy Commission.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona [Mr. MURDOCK]?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand that this land was previously owned by the State of New Mexico.

Mr. MURDOCK. It is correct to say New Mexico had jurisdiction over the land.

Mr. MARTIN of Massachusetts. Did the United States Government pay any money when it acquired that property?

Mr. MURDOCK. I think not, as it was probably public domain. However, the gentleman from New Mexico [Mr. FERNANDEZ] may be able to answer that better.

Mr. FERNANDEZ. What is the gentleman's question?

Mr. MARTIN of Massachusetts. When the United States acquired this land, did they pay any money to the State of New Mexico for it?

Mr. FERNANDEZ. No. They paid no money to the State of New Mexico. The money was paid to the owners of the property.

Mr. MARTIN of Massachusetts. Then the Government actually did pay the money?

Mr. FERNANDEZ. Yes.

Mr. MARTIN of Massachusetts. How much is involved?

Mr. FERNANDEZ. I do not know about the price of the land. It varied according to the land, I suppose, I do not know. I do not think that is involved here. I do not quite follow the gentleman's question.

Mr. MARTIN of Massachusetts. Well, if the United States Government is giving New Mexico land for which they paid a substantial sum of money, I simply wanted to know it.

Mr. FERNANDEZ. Let me explain to the gentleman, we are not giving any land to the State of New Mexico. These are the particulars in the case: At the present time part of the land where the community of Los Alamos is located is under the jurisdiction of the Federal Government. Part of the land is in the exclusive jurisdiction of the State government. That has created a good deal of confusion in the administration of the laws.

Mr. MARTIN of Massachusetts. The title to the land does not change?

Mr. FERNANDEZ. The title to the land does not change at all.

Mr. MARTIN of Massachusetts. You are simply changing it back to New Mexico so that the civil law can prevail?

Mr. FERNANDEZ. That is correct, and in order that the legislature may have the right to legislate over that community. The reason for the haste is this: The State legislature is now in session. It will adjourn the first week in March—

Mr. MARTIN of Massachusetts. Of course, the consent calendar will be called on next Monday.

Mr. FERNANDEZ. But this has to go through the Senate as well. They are contemplating some legislation, I understand, which will permit the community of Los Alamos, a community of eight or ten thousand population, to organize as a municipality. Of course, there is the question of elective franchise and the right to vote and other privileges that attach to citizens, which they do not now have. But the main reason for haste is that the legislature is now in session, and we should have this bill passed before they adjourn. If the legislature wants to enact legislation to permit that com-

munity to incorporate as a municipality, it may do so only after the State acquires jurisdiction. At the present time it has no jurisdiction over part of the community.

Mr. MARTIN of Massachusetts. It is merely a jurisdictional proceeding?

Mr. FERNANDEZ. Purely that.

Mr. MURDOCK. May I say further, this bill was reported out unanimously by the Committee on Public Lands. The ranking minority member has been consulted, and, of course, is agreeable to the presentation of this bill, as well as the Speaker, the majority leader, and the minority leader. It was requested by the Atomic Energy Commission; it has the approval of the Members of Congress from New Mexico, and it does not involve any money.

Mr. RICH. Mr. Speaker, further reserving the right to object, I would like to find out if the Federal Government paid good hard cash for this land and it is going to be returned to your State. Certainly if that is the case, then the State of New Mexico will repay the Federal Government for the land if it is any way implicated that they take this land from the Federal Government.

Mr. McCORMACK. Will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. McCORMACK. There is no land going back to the State of New Mexico. The Federal Government owns the land and will own the land under this bill. This bill only places the civil jurisdiction of the laws of the State of New Mexico applicable to the inhabitants of this particular land. In other words, there was a case there of a person living on part of this land who had brought proceedings for a divorce under the State law. The Supreme Court of the State of New Mexico ruled that the State court had no jurisdiction, because it had no jurisdiction over this particular land that was owned by the Federal Government. I think we did the same thing in connection with the airport over here in Virginia, to allow the law of Virginia to become applicable to the airport. This is only to allow the civil law to apply there.

Mr. RICH. Would it not be a good thing in New Mexico if we let New Mexico buy a lot of this land that the Government owns so that they will have something they can operate and they can call their own, instead of the Federal Government doing it?

Mr. McCORMACK. Oh, the Federal Government needs this land itself.

Mr. RICH. Oh, we have got more land in New Mexico than the people have themselves.

Mr. McCORMACK. Not for this purpose.

Mr. RANKIN. Mr. Speaker, reserving the right to object.

Mr. Speaker, there is one question I should like to have answered. As I understand it this land was acquired for experiments with the atomic bomb.

Mr. MURDOCK. That is right; it is under the jurisdiction of the Atomic Energy Commission, and they have requested this legislation.

Mr. RANKIN. The passage of this legislation will not in any way interfere with the Government carrying on future experiments there if they want to?

Mr. MURDOCK. In no way will it interfere; in fact, this legislation comes at the request of the Atomic Energy Commission.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Richard Luther.

Mr. GROSS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

THE LATE WENDELL WILLKIE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, tomorrow is the birthday of Wendell Willkie. He was born on February 18, 1892. I am inserting in the RECORD which will appear tomorrow an editorial from the Indianapolis News about Wendell Willkie, entitled, "The Torch Still Burns."

Mr. Speaker, today when we are struggling with the problem of civil rights, social-welfare legislation, and the effort to keep the world from being divided by violent war into two worlds instead of the one world which he conceived, the words of Wendell Willkie take on the same permanent and universal significance that we associate with the words of Abraham Lincoln.

Mr. Willkie said:

There are no distant points in the world any longer—our thinking in the future must be world-wide.

We must establish beyond all doubt the equality of men.

The world is awakening at last to the knowledge that the rule of people by other people is not freedom.

Freedom is an indivisible word—we must be prepared to extend it to everyone, whether they are rich or poor, whether they agree with us or not, no matter what their race or the color of their skin.

The only soil in which liberty can grow is that of a united people—we must have faith that the welfare of one is the welfare of all—we must acknowledge that all are equal before God and before the law.

The editorial I refer to follows:

[From the Indianapolis News of October 1946]

THE TORCH STILL BURNS

Two years ago, in the bright beauty of an October afternoon, Wendell Willkie came home to Indiana, to return to the rich earth from which he sprang. On a green hillside over which flamed the tapestry of October, the man whom Indiana gave to the world was

laid to rest. On the place where he slept the leaves came drifting down from the hackberry and linden sentinels for his eternal rest.

The great voice that had been raised for freedom was still. But even death cannot quench a dream, and a flaming spirit lives beyond mortality. Wendell Willkie had fired the thoughts of men and touched their hearts, and the world picked up his torch. His words live and his dream moves on toward realization. Greatness does not die.

Symbolic recognition of that truth is afforded, as fully as can be expressed in stone, by the memorial that has just been placed at his grave. This is truly a shrine to freedom. It has the idealism of the cross, the sword of the spirit, the torch of humanity, the book of inspiration, and the laurel of victory.

It is the torch and the book that will carry the message of Wendell Willkie to those who come in the years ahead to the East Hill Cemetery in Rushville, there to pay homage to one who was a friend to all mankind. There is no fire in the granite torch. Rather the flame is in the words graven on the book that all may read as they rest and meditate. They are the words that were Mr. Willkie's creed:

"I believe in America because in it we are free—free to choose our government, to speak our minds, to observe our different religions.

"Because we are generous with our freedom, we share our rights with those who disagree with us.

"Because we hate no people and covet no people's lands.

"Because we are blessed with a natural and varied abundance.

"Because we have great dreams and because we have the opportunity to make those dreams come true."

Mr. Willkie lived those words, as all Americans should live them. And his heritage to his fellow countrymen is contained in these other lines on the book, taken from his speeches and *One World*:

"There are no distant points in the world any longer—our thinking in the future must be world-wide.

"We must establish beyond all doubt the equality of men.

"The world is awakening at last to the knowledge that the rule of people by other peoples is not freedom.

"Freedom is an indivisible word—we must be prepared to extend it to everyone, whether they are rich or poor, whether they agree with us or not, no matter what their race or the color of their skin.

"The only soil in which liberty can grow is that of a united people—we must have faith that the welfare of one is the welfare of all—we must acknowledge that all are equal before God and before the law.

"Only the productive are strong, only the strong are free.

"It is inescapably true that to raise the standard of living of any man anywhere in the world is to raise the standard of living by some slight degree of every man, everywhere in the world.

"Whenever we take away the liberties of those whom we hate we are opening the way to loss of liberty for those we love.

"The moral losses of expediency always far outweigh the temporary gains.

"The test of a people is their aim and not their color."

Those words still speak to a world that has yet to know their full meaning. They are as true as the ages. And as long as there are living men to read them, and warm hearts to respond, the spirit of Wendell Willkie will endure. His torch still burns.

THE ADMINISTRATION PROGRAM

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for

1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, the President says we must have \$4,000,000,000 in new taxes.

Yesterday's paper says:

Boost in tax levies a must, Speaker RAYBURN declares. Four-billion-dollar increase needed to keep Government out of red, he says.

Today the Secretary of the Treasury said we need \$4,000,000,000 in taxes.

Is there not somebody in high Government places who is going to say we want to cut down Government spending? Let some one Democrat get some economy in his system. Or are you going to take on this Truman giveaway plan: Bigger old-age pensions, more pay for the idle, to have the Government pay the medicine bill, permanent pay for the sick, Federal aid for the schools, electric power at less than cost, new dams at less than cost, bigger Government aid in the West, bigger Government subsidies, higher wages, and lower prices. For goodness sake, let us get a little common sense into Government and cut the cost of Government.

Stop squandering, stop spending, stop giving our resources away and you will stop taxing. Our people are tired of taxes; our people want economy in Government; I want economy in Government. The way to get it is stop spending. Stop spending and you stop taxing, Mr. Speaker.

THE VETERANS' PENSION BILL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I see a hideous cartoon of myself in this morning's Washington Post—the uptown edition of the Communist Daily Worker.

You will remember that we chased some of the Communists off the editorial staff of that publication; but they still have a Communist cartoonist.

This publication is doing more to stir race trouble here in Washington than all other forces combined, by its communistic propaganda for wiping out all race segregation and forcing Negroes into the white hotels and white schools of the District of Columbia. Of course they don't give a tinker's dam about the Negroes. They just want to harass the white gentiles of America and force their communistic program on them. But when you turn the spotlight on them they whine "race prejudice."

They do not want our aged veterans taken care of, as this bill provides, for fear it might cost them a few of their ill-gained dollars.

I filed a resolution for a rule on this bill, and I am going to press it as hard as I can. I want to bring this measure to

the floor of the House as quickly as possible.

The gentleman from Wisconsin [Mr. BYRNES] on yesterday got excited, and you would have thought from his speech that we were going to break the Government with this bill.

Why, the bill he voted for last year known as the Marshall plan, which was really the Bevin plan, would send to Europe tobacco alone costing ten times as much as this soldiers' pension bill would cost the first year.

The gentleman from Wisconsin can take that side of the question if he wants to—and any of the rest of you can do likewise; but I am not going to let these old veterans, who served their country in time of war, go to the poorhouse in their declining days if I can help it.

If we can spend untold billions of dollars on other countries—as I said, feeding and clothing every lazy lout from Tokyo to Timbaktu—then we can take care of our aged veterans when they get beyond the age of their earning capacity, and are unable to care for themselves.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXPORT CONTROL ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 97 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present. If we are going to legislate, let us have the Members present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 16]

| | | |
|---------------|-----------------|---------------|
| Abbutt | Gathings | Pace |
| Allen, La. | Gwinn | Pfeifer, |
| Bates, Mass. | Heffernan | Joseph L. |
| Bennett, Fla. | Herter | Powell |
| Bentsen | Hoffman, Ill. | Reed, Ill. |
| Blatnik | Hoffman, Mich. | Regan |
| Bolton, Md. | Jackson, Calif. | Scott, Hardie |
| Boykin | Jenkins | Scott, |
| Breen | Judd | Hugh D., Jr. |
| Bulwinkle | Karst | Short |
| Burdick | Klein | Sikes |
| Byrne, N. Y. | Lemke | Smith, Ohio |
| Colmer | Lesinski | Somers |
| Coudert | Linehan | Taylor |
| Cunningham | McMillan, S. C. | Thomas, N. J. |
| Curtis | Mack, Ill. | Thomas, Tex. |
| DeGraffenried | Macy | Towe |
| D'Ewart | Mahon | Wadsworth |
| Dingell | Marshall | Walter |
| Douglas | Mason | Werdel |
| Eberhart | Miles | Whitaker |
| Engel, Mich. | Norton | White, Idaho |
| Fulton | O'Hara, Minn. | Wickersham |
| Furcolo | O'Toole | |

The SPEAKER. Three hundred and sixty-two Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

REREFERENCE OF BILL

Mr. SPENCE. Mr. Speaker, by inadvertence, the bill (H. R. 1376) to provide assistance to farmers in securing farm housing and other farm buildings, and

for other purposes, was referred to the Committee on Agriculture. I have conferred with the chairman of the Committee on Agriculture.

I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the bill and that the bill be referred to the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes on Monday next, following the legislative business of the day and any special orders heretofore entered for this day.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. MADDEN asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial from the Gary Post-Tribune.

Mr. THOMPSON asked and was given permission to extend his remarks in the Appendix of the Record and include an address by the national president of the Marine Corps Reserve Officers' Association.

Mr. HEBERT asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial.

Mr. BROOKS asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial and excerpts.

Mr. TRIMBLE asked and was granted permission to extend his remarks in the Record and include an article entitled "Annual Madison County Soil Conservation District," notwithstanding the fact that the Government Printing Office estimates the cost will be \$230.75.

Mr. HARRISON asked and was granted permission to extend his remarks in the Appendix of the Record and include sundry editorials.

Mr. GARMATZ asked and was granted permission to include his remarks in the Appendix of the Record and include extraneous matter.

Mr. MITCHELL asked and was granted permission to extend his remarks in the Appendix of the Record and include an article from the New York Times.

Mr. KENNEDY and Mr. MILLER of Nebraska asked and were granted permission to extend their remarks in the Appendix of the Record.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the Record and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the Record regarding a bill he will today introduce.

Mr. POULSON asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. SANBORN asked and was given permission to extend his remarks in the Record and include a letter.

ANNUAL REPORT OF THE UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I am transmitting herewith the Sixty-fifth Annual Report of the United States Civil Service Commission. This report covers the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 17, 1949.

EXPORT-CONTROL ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 97 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, after I conclude my remarks I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, several Members have accused me of being responsible for bringing them here this morning by making a point of order that a quorum was not present. I did not make the point of order, but it will not hurt the Members to remain here during the consideration of the bill, especially since it is being considered under the 5-minute rule.

The rule is an open one and provides for 2 hours general debate, after which the bill will be taken up and read under the 5-minute rule for the offering of amendments. It might be well for all of the Members to remain here at that time in order to gain information about the provisions of the bill.

Mr. Speaker, the bill is relative to the control of the exportation of products that are vital to the Nation's internal economy as well as to its external security. It provides for the continuation of the President's authority to control this vital link in the chain of the Nation's welfare.

The effect of the legislation will be to safeguard the supply of many of the materials needed by our own country. It is true that it controls the export of goods both to friendly and to so-called unfriendly nations. In this way, it serves a twofold purpose. In the first place, our domestic situation is strengthened, especially through the curbing of inflationary tendencies caused by foreign demand. And in regard to our security, the program will act as a two-edged sword; we can limit the flow of goods to nations that we suspect are unfriendly and we can see to it that the goods we send to the friendly nations do not find their ultimate destination in the hands of our potential enemies. In the past, many valuable materials that have been exported, and even donated, to our friends have found their way to countries that are not so friendly. Even some of the so-called friendly nations are not so friendly. At any rate, I hope that those countries that have engaged in unfair tactics in the past will cease doing so in the future. Nevertheless, the situation is such that our reliance should be placed at home. Thus, we are giving this power to the President.

The people of the country have confidence in the judgment of the President; they have confidence that he has the welfare of the United States uppermost in his mind, first, last, and always. They know that his sane, common sense will safeguard their interests and the interests of our country, seeing to it that scarce materials will not, by devious means, find their way to undesirable destinations. To those that decry the centralization of authority, it may be stated that the situation is a swiftly changing one, with the need for rapid action. Central authority is imperative. Furthermore, the President will be apprised of all the facts through his advisors in the various departments concerned. The action of the President will prove beneficial to American manufacturers, who, in the future, will not be faced with the severe shortages of the past. It may be noted that many manufacturers were obliged to suspend operations due to manipulations on the part of the trusts. They were not able to obtain steel and other necessary materials.

Of course this matter was exploited by my Republican friends. Yesterday, three of them arose and claimed, with a great deal of glee, that we are facing a recession. Well, my friends, that just isn't true. The country is prosperous and will continue to be prosperous and the people will continue to be employed.

Yes, we have a little unemployment. We know that from 8 to 10 percent of our employable people ordinarily are unemployed during peacetimes. Now we have over 58,000,000 people employed, and they will continue to be employed if we retain the raw materials that are needed for production, as contemplated in this bill. Some gentlemen say there are nearly 2,000,000 unemployed. Well, that is not even a quarter of what we ordinarily have in peacetimes, percent-

agewise. Actually, it may be said that there is no unemployment. Look at the newspapers here, in New York, in Chicago, and in every other city and you will find page after page of help wanted, labor wanted, manpower wanted. There is a demand for more labor, and everybody who desires to work may find employment, and I hope at good wages. Shortly, we will pass the minimum wage bill and that will encourage still greater employment.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker and Members of the House, I do not oppose the rule making in order the consideration of H. R. 1661, a bill introduced by the gentleman from Kentucky [Mr. SPENCE] to enact a law for the regulation of exports, and for other purposes, under a 2-hour general debate clause.

I do not oppose the rule because I believe that some sort of legislation to continue export controls is absolutely necessary at this time.

A short time ago I spoke on the floor of the House and perhaps criticized just a little bit some of my friends on the majority side because, while they had been very loud and long in their criticisms of the Eightieth Congress, they had brought in a number of bills which extended legislation that had been passed by the Congress which they have criticized, the Republican Eightieth Congress. They had reenacted legislation which they had opposed and had criticized at the time the Eightieth Congress enacted it into law.

Seemingly my friends of the majority took that criticism of mine to heart, because they have evidently decided that they would not extend the Republican-sponsored law for export control but instead would attempt to write a bill of their own, a substitute measure, as it were.

I hope the Members of the House will listen very carefully to the debate on the bill H. R. 1661 and the explanation of what this new law actually contains, because it goes much further as far as conferring power on the President is concerned than any export-control legislation which has ever been enacted by any Congress in the past. It goes so far as to permit the President or any person he may designate to go into the matter of financing exports, of transporting exports, and of servicing the goods that are shipped overseas. It goes even further than that. It provides that the veil of secrecy can be thrown about these activities, or that, in the discretion of an official, if any particular business or industrial secret should be made public for the benefit of some individual or some group or some organization, it can be done.

It permits the officials in charge of export controls to bring in any individual in the United States, regardless of whether or not that person has any connection whatsoever with the goods being exported, and swear that person and get all the information they want from him about that particular matter

or any other matter that he may know something about.

In other words, this legislation is another step in conferring practically—well, let me say not dictatorial, but very, very broad powers on the Chief Executive. It is just another chapter, if you please, in the story of centralizing all power and authority in the Government here in Washington.

Those of you who are interested in the welfare of your own industries and your own districts had better look at this piece of legislation rather carefully and listen to the explanations and give serious consideration to some of the amendments that will be offered during the consideration of the bill in the Committee of the Whole House on the State of the Union.

May I also add that perhaps it might be wise for our friends of the majority to be giving just a little bit of consideration to import controls as well as to export control legislation, because if the present trend continues it will not be long until many of us here will be seriously concerned with the heavy flow of imports which are coming into this country. I know that in the report on this bill reference is made to the increase in production in foreign countries in many commodities.

I am not unmindful of something that happened in my own State in the last 2 weeks. Up in the great city of Cleveland bids were opened for the purchase of generating equipment to make electricity for that great city, a city of over one million souls.

The low bidder was a Swiss concern with a bid more than a half million dollars below the lowest bid made by any American manufacturer for the same identical equipment, with the result that the workers in the electrical factory in Switzerland will be employed while the workers in some of the electrical factories in America are being laid off. I have every respect and every regard for the distinguished Member from the State of Illinois, my chairman [Mr. SABATH]. Yet as I heard him speak, I could not help but wonder just where he has been recently. Certainly he has not been in the great State of Illinois. Certainly he has not been back home, or he would have found out very quickly that there is unemployment—growing unemployment in the city of Chicago to such an extent, by the way, that it is giving grave concern to his own city and State officials.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SADLAK. I am positive that the gentleman from Illinois was not in the State of Connecticut.

Mr. BROWN of Ohio. I am sure that the gentleman has been in the never-never land if he still believes that we have expanding employment in this country and that there is a great shortage of workers. If the gentleman from Illinois has all these positions and jobs available that he has been talking about, I believe many Members of the House

could give him names of many, many individuals who have been writing, asking them to help them get employment.

We have even had much correspondence from our own State governments asking for help from the Government in the way of additional employees to process unemployment compensation applications. The House by a motion made by the majority on yesterday adopted an amendment to the deficiency appropriation bill to more than double, as I remember it, the funds to be used for the employment of additional workers in these unemployment compensation offices out in the States, just so that we can take care of the unemployed.

But the gentleman from Illinois insists here in a pious way that such unemployment does not exist at all. The statements made here by the gentleman from Illinois will not help to feed the families of the unemployed in this country or in his district.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SABATH. Is the gentleman from Ohio referring to the unemployed among Republicans who have been holding sinecure positions in the formerly Republican state governments? There is certainly unemployment there, of course.

Mr. BROWN of Ohio. Mr. Speaker, there is a rather strange thing about public employment. Whenever they do get a really difficult or knotty problem in government, whether it be in the States or in the national government, they always turn to some Republican to solve that problem for them. They have to go where they can find the ability to do the job. I might add that that seems to apply at every point in our public service, even in the military and naval branches of the Government. I am simply amazed that the gentleman from Illinois would stand in the Well of the House and attempt to tell the Congress and the country that there is not a growing unemployment problem. It is a serious problem. It is one that gives grave concern to every thinking American. I am satisfied it is giving grave concern to the leaders of this Administration—to the President of the United States and to those who advise him—because I understand from rather reliable sources, I may say to the gentleman from Illinois, that plans are already rather well developed for a new type of WPA program. I hope it is not leaf raking. I hope, if we have to do something for the unemployed in this country as a result of the economic and Government mistakes in the past, that what we will do will be constructive. I hope we will not waste our substance on leaf raking and or doles, but instead that the men and women we must aid will have their efforts directed in a constructive way, so that they themselves may pay their own way and feel that they are contributing to the welfare of their Nation and of their community.

I hope that the gentleman from Illinois [Mr. SABATH] will understand that as unemployment grows—and it is growing in the State of Illinois and in the city

of Chicago—we will have great sympathy for him and great concern for those individuals out there who have lost their jobs, and that we will join him in doing everything we can to help them, because he will find they are unable to eat speeches made on the floor of the House and they are unable to live on the statistics put out by prejudiced persons and individuals; that, instead, they will need actual help, not only from the Government, but from every other decent-thinking American citizen who wants to see this economy of ours remain strong and safe and sound so that America may be, after all, a strong influence in the world for peace and for prosperity. I hope the gentleman will let us know just what his solution is to continue such high employment in his State.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. SABATH. Mr. Speaker, in view of the statement of the gentleman from Ohio [Mr. BROWN], relative to unemployment in Illinois, I have been requested to yield 5 minutes to a gentleman who is familiar with labor conditions in Chicago.

I yield 5 minutes to my colleague from Illinois [Mr. BUCKLEY].

Mr. BUCKLEY of Illinois. Mr. Speaker, it seems to me that we are catering to a program of fear. Illinois, as such, has no worry about unemployment. They have in the past and shall continue in the future to take care of their own problems. Perhaps the gentleman from Ohio [Mr. BROWN] should concern himself more with the problems in his own State.

I, for one, am getting tired of hearing this talk about a depression and the unemployment that usually follows. The Republican minority is attempting to drive a sense of fear and insecurity into the American people merely because the will of the mass of Americans manifested itself in the last election—and the Democrats were justifiably victorious. Of course, the only thing that the American people have to fear is fear itself. If certain Members of Congress, and others, continue harping on the coming of a depression, they will have their wish. They will succeed—if they continue—by striking fear into the hearts of the American people. The result will be a curtailment in buying, and the logical cut-back in production that necessarily follows, with the end result leading to unemployment. When this occurs the Republicans will be exceedingly happy, because it was the Eightieth Republican Congress that attempted to start this vicious economic process.

I firmly believe that there is no reason for such talk today, because we are merely in the process of a peacetime adjustment to our hard-fought victory in the last war. I do not think that it is proper for a Member of Congress to stand up in the House of Representatives and alarm the people by telling them that they are facing a panic or depression. The only motive behind these unwarranted and unjustifiable cries of "slump and depres-

sion" is one of delay in order to hamper labor unions who will be seeking new contracts shortly. It is merely a scheme on the part of Republicans to preclude the laboring people from asking for a fourth round of wage increases.

The future outlook is bright. We have great employment in the United States today. Whatever slowing down happens to exist in the employment situation as it occurs today results normally when new labor contracts are being negotiated, and management acts cautiously.

Thank God that we in America are wise enough and courageous enough to have such a great administration and such a truly great leader as the President of the United States. We all have confidence in him. He will, with God's Providence and the aid of the Democratic Eighty-first Congress, dispel all fears of depression and unemployment, to the end that the people of America and their Nation will again be sound and solvent as they have been in the past under Democratic leadership.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CAVALCANTE].

Mr. CAVALCANTE. Mr. Speaker, I have merely asked for this time in order to obtain information to clear my mind on the conditions of this bill and also to guide me in the manner that I should vote.

Some days ago we passed a bill pertaining to reciprocal trade agreements. I should like to have my mind cleared on the proposition of whether the provisions of those reciprocal trade agreements were excepted from the provisions of the bill which will be made in order by this rule? I may state that I agree with the principle of export control of short supply materials. I also believe in conferring the power to control upon the President. It is because of this that I am concerned in knowing whether the short supply materials that we are here trying to conserve by the provision of this bill may not be exported under the powers conferred a few days ago upon the President by the so-called Reciprocal Trade Agreements Act?

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I believe this bill is one that the individual Members of the House are going to regret very seriously if it is put on the statute books as it comes to us. It is one of the largest abdications of legislative responsibility since the Blue Eagle Act. I wish you would read the declaration of policy contained in section 2. It is so broad that it covers every piece of export business that can be done in the entire United States in any commodity whatever. Subsection (b) of section 2, the policy section, includes, as policy, the objective:

To further the foreign policy of the United States and to aid in fulfilling its international responsibilities—

That is just as broad as the world is wide. It covers everything without limit. Under the authority to carry out that

policy contained in section 2, under section 3 this can be done—

To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person—

In other words, in that sentence you do away with or make it possible to change or abolish practically all of the rules and regulations in the transporting and the financing agencies of the United States by giving the power to the President to assign even greater powers to other agencies or officials; and in the last phrase it grants the power to not only completely control the exporters but also to say who can do the exporting, the financing, the transporting, and the servicing, all of which can permit rank political favoritism in the granting of permits and licenses; and there is a penalty provision attached to this bill embracing imprisonment for 1 year, or a \$10,000 fine, or both, for violation of a rule or regulation promulgated by an official of the Government.

In the concluding portion of the bill it is stated:

This act shall not supersede any other act.

We have of course a number of acts on the statute books today that are for the purpose of controlling exports; but what this bill means is that in negotiations under the present trade treaty acts you are going to give the President authority to agree with other countries to establish domestic export quotas, or they can just be established. That will mean a complete violation of the freedom in commerce which our country has enjoyed, except in war, since the beginning. It will give, at the same time, free rein to the President to engage in commercial warfare through the export quota system. This is the system applied by authoritarian countries. In other words, instead of this great freedom of trade we have been hearing about in the reciprocal trade agreements debates, we are now about to tie up trade so that nobody can operate except those favored by the administration. The reciprocal trade agreements will not mean anything. You will find that we are going to operate very much as the Nazi and some other European governments operated before the war. We had better be looking forward to freeing the channels of trade and not tying them up, if we want to uphold the great principles of our country.

Mr. COLE of Kansas. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. Referring to the gentleman's statement concerning the declaration of policy, I may say to the gentleman that in the hearings before the committee evidence was produced that this bill was necessary, according to its proponents, to protect the domestic economy from excessive drain. The latter two provisions of the declaration were not given much consideration, whether or not it is necessary to further the foreign policy of the United States and

whether it is necessary to conserve the security of the United States, so some of us have had great concern about the continuation of a permanent policy.

The SPEAKER. The time of the gentleman from California has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HINSHAW. Mr. Speaker, may I say to the gentleman that excessive drain can be stopped by cutting back on gifts to foreign countries, and that so far as the national defense is concerned, I believe it is adequately protected by other law at the present time in existing statutes which may be extended. As a member of the Joint Committee on Atomic Energy I know there is plenty of law in the Atomic Energy Act to protect the United States in those respects if it is properly exercised. But to put in this subsection (b), which says, "To further the foreign policy of the United States and to aid in fulfilling its international responsibility," is to grant the most extraordinary power in words just as wide open for interpretation as anything that was ever written into any law or statute of the United States. You can interpret those words to cover any sin or any objective that anyone in authority may want to cover. It vitiates entirely any other limitations that there may be in the bill.

The last subsection, the words "to exercise the necessary vigilance over exports from the standpoint of their significance to the national security," no one will argue with; but that subsection (b) of the policy section is a dilly. May I tell the Members of the House of Representatives that after this act is passed you are going to have everybody in your district coming down here and asking you to go to the Export Control Office to assist them in getting licenses for exports. It will be reflected in less employment in the exporting industries as the direct result of the complicated red tape and licenses required which will disgust the producers of exportable products. It will stifle small producer exports. I am in favor of freeing the mechanics of foreign trade and not tying them up as this bill will do under the regulations that will be issued pursuant to it.

(Mr. SPENCE asked and was given permission to revise and extend the remarks he will make in the Committee on the bill under consideration and include a report.)

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of the bill H. R. 1661, with Mr. HUBER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, it seems that the prologue to every bill in the House continuing an authority that already exists is an acrimonious political discussion. It is true that the authority that is given the President under this bill was continued by the Eightieth Congress, but the authority originally was given to the President more than 8 years ago. On July 2, 1940, the President was given practically the same powers that are given to him under this bill, and he has retained those powers ever since. Why is it now, in this Democratic Congress, that they have great apprehension on the other side as to the use of these powers? I know the gentlemen on the other side have not really gotten over the effects of the last election, and I suppose that is natural. But the Bible says:

Let not him that girdeth on his harness boast himself as he that putteth it off.

And I think really there has been too much boasting on the other side, and that they could have foreseen what might have happened to them, for the prophets of old said that "Pride goeth before destruction, and the haughty spirit before the fall." The Prince of Peace said, "The meek shall inherit the earth." And, of course, it has been demonstrated that those that are not meek inherit nothing.

I hope my friends on the other side will read the Good Book and obtain lessons from it. Why should we not give the President these powers? We are not in normal times. Times have not been normal since 1940, when he was given these powers. I do not think it would be good policy for this Government to put shackles on the President in the exercise of these powers, with their international implications. He is dealing with the governments of the world. He is protecting the economy of the United States. In these highly important international affairs he ought to have the same powers granted him as the free elected Executive of a free nation, by free representatives elected by the people, as the executive or dictator has in representing the enslaved people in totalitarian governments. We have got to trust these powers to somebody, and to limit them and restrict them by unnecessary conditions would weaken the very purpose for which they are given to him.

We know what happened before the last war and before this war. I do not say that the great industrial people of the United States are willing to sacrifice their country for profit, but you know and I know that the scrap piles of America disappeared just before we went into the war with Japan. They disappeared because a profitable market was found in which to sell them. Those things were converted into munitions of war, and

caused the death of our boys, no doubt about that.

We do not want that to happen again. The only way we can do that is by restricting exports. There is a short supply of many essential materials, and unless these things that are essential to our own welfare and to our domestic economy are controlled, the inflationary impact of abnormal foreign demand might be destructive of our interests.

We must have authority to control the quantitative amount of exports and to control the destination of these things, and they can be controlled.

Why should you have any apprehension, why should you be so captious about a few words that are in this bill? The President can delegate these powers to any department, agency, or official. I have heard objections made to the word "official." The President has transferred them to an official. He has not transferred the powers to an agency or a department. He has transferred these powers and invested them in the Secretary of Commerce and that, it seems to me, is where they ought to go. He centralizes the responsibility, and he makes it incumbent upon one man to discharge the duties he has imposed upon him.

A great deal of criticism has been made about the word "financing." That does not apply to power that can regulate how exporters shall obtain their money, it merely is an enforcement provision. When an exporter wants a license to ship certain things abroad, the best information the Government can obtain in regard to that license is through him who finances the exporter. He usually knows the amount of the goods that are going to be sent, the consignee, and the ability of the exporter, and it is only to that extent that this word "financing" is placed in this bill. It is an enforcement power that is absolutely essential to carry out the act in the way it should be carried out.

There is a great deal of misapprehension as to the words "standards and criteria." Why should there not be standards and criteria, to give to the exporter knowledge of just what his rights are?

The administration itself has placed this limitation upon it by the formulation of standards and criteria, criteria as to price, destination, end use, and so forth.

In connection with enforcement I remember there was one case where an exporter received an export license to transport glass vials. They found after investigation that the vials contained very expensive drugs which were not mentioned in the application for export. You must have the information if you are going to properly administer this law and you have to get the information from every reliable source from which it can be obtained. You need not have any apprehension about the administration of this act because the President has had practically all these powers under the original act. So it is but a continuation for 2 years of the powers that are now vested in him for a most essential purpose, a purpose that affects not only our domestic economy, but our foreign rela-

tions and our national security because it is worked in connection with the foreign-aid plan.

Unless we have some such licensing control as this, we cannot effectively carry out that plan.

Under leave to insert the committee report on this bill, I herewith insert House Report No. 18:

EXPORT CONTROL ACT OF 1949

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following report:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

1. In section 2 strike out "fulfill" and insert in lieu thereof "to aid in fulfilling."
2. In section 3 (a) strike out "carriage" where it appears therein and insert in lieu thereof "transporting."
3. In section 4 (a) immediately following the word "department" strike out "or" and insert a comma; and immediately following the word "agency" insert ", or official."
4. In the last sentence of section 4 (b) immediately following the word "agency" insert ", or official."
5. In the second sentence of section 6 (a) immediately following the word "court" where such word first appears in said sentence insert "of the United States."
6. In the first line of section 6 (c) immediately following the word "department" strike out "or" and insert a comma; and immediately following "agency" in said line insert ", or official."
7. In section 8 immediately following the word "agency" insert ", or official"; and at the end of said section insert a period.
8. In the second sentence of section 11 immediately following "delegations," insert "rules."

GENERAL STATEMENT

Export controls are being used at the present time to accomplish three important objectives: cushioning the domestic economy from the inflationary impact of foreign demand; influencing the geographic distribution of such quantities of scarce materials as can reasonably be spared from our economy; and exercising the necessary vigilance of exports of industrial commodities significant from the standpoint of the security of the United States.

The bulk of our merchandise in export has not been in short-supply commodities. Only about one-fourth of these exports has been in commodities for which quantitative export control is deemed necessary. Within this relatively limited sphere it has been desirable to temper the inflationary impact of foreign demand. This has been accomplished by limiting the quantities of scarce materials permitted to leave this country and, where feasible, by disqualifying export transactions made at excessively high prices. The supplies of these materials available for domestic use have been sufficient to permit a steadily increasing level of output and consumption in the United States.

Through export controls geographic distribution of commodities has been affected to channel exports into friendly countries, notably those participating in the European recovery program. For instance, in the first 6 months of 1948 uncontrolled exports amounted to \$4,850,328,000, of which only 25 percent, or \$1,211,056,000, went to European recovery-program countries. However, in the same period, controlled exports amounted to \$1,643,210,000, of which over 59 percent, or

\$977,484,000, went to European recovery-program countries. It is evident that export controls are acting as an effective instrument in assisting the European recovery program.

The imposition of strict controls over shipments to eastern Europe has reduced exports to that area from an annual rate of \$400,000,000 in the second quarter of 1947 to an annual rate of only \$125,000,000 in the third quarter of 1948. For purposes of export control to eastern Europe, commodities have been classified in descending order of importance from the viewpoint of national security—ranging from materials and equipment which are of direct military significance, or basic importance in the manufactures of the nations, or of great strategic significance from an over-all industrial point of view, to the relatively nonessential commodities which are in abundant supply in this country and which are of slight significance either to the basic industries or to the general economy of eastern Europe. In general, export licensing to eastern Europe has been most restrictive at the top of this scale and least restrictive at the bottom.

The Department of Commerce, under existing law, has been given the principal responsibility in the administration of export controls. In the administration of such controls the Department through its Office of International Trade obtains the counsel and assistance of other Government agencies through the mechanism of formal interdepartmental committees. This mechanism has been used to assure policy coordination of these controls. The Advisory Committee on Requirements has the general function of assuring a coordinated supply-requirements operation by relating estimates of material requirements to estimates of supply available from foreign and domestic sources, by formulating measures necessary to bring supply and demand more closely into balance, and by advising the Secretary of Commerce as to the relative importance of programs and projects competing for materials in short supply.

The rules and regulations governing export controls are published in the Federal Register, including the so-called positive list—the list of commodities requiring specific export licenses for all destinations. It is the practice of the Department of Commerce to publish the quotas for all controlled commodities to which they apply so that exporters may have, in advance, a general idea of the quantities they might individually be allowed to export. Such information, with detailed explanations for the use of the export trade, is published by the Department of Commerce in a quarterly, comprehensive export schedule, supplemented by current export bulletins. To assist in formulating procedures for the various commodities under control, the Department has accelerated and extended its trade-consultation activities. During the past quarter, formal conferences have been held with many different groups of businessmen concerned with the export of various commodities. In order to secure broad representation, the membership includes small, medium, and large firms; merchant exporters as well as producers; exporters in various regions of the country; and trade-association members as well as independents.

These commodity advisory committees have proved helpful in determining the most equitable methods of distributing limited quotas among exporters. These groups have concerned themselves with the following questions relating to quota distribution: The extent to which price criteria should be used; the proportion of the quota to be allotted between traditional exporters and newcomers; administrative techniques for identifying and eliminating applicants whose interest is purely speculative; and the extent to

which foreign government recommendations should be followed in granting export licenses.

These trade advisory activities have yielded immediate and substantial benefits to the export trade community, and the Department has been assisted in the improvement of licensing procedures to meet the varying practical problems involved in the export of different commodities. The result has been not only to facilitate export transactions and shipments of commodities, but also to reduce substantially the administrative burden of licensing control.

At the beginning of 1948, there were 386 separate commodity classifications under export control. This compares with the more than 3,000 such classifications under export control during the war years. For the first 6 months of 1948 exports of commodities on the positive list amounted to \$1,643,210,000, or approximately 25 percent of the total value of commodities exported amounting to \$6,493,539,000. Major commodities under export control for supply reasons are discussed in the following paragraphs.

Steel

Because of the continuing steel shortages, virtually all steel products are under export control, a significant change from the situation in 1947, when less than half of the steel tonnage exported was under control. Shipments abroad hit a postwar peak in the second quarter of 1947, when they reached an annual rate of 6,900,000 tons or 10.7 percent of the supply. For the year 1947 as a whole, exports totaled 6,500,000 tons or 10.3 percent of the supply. In each quarter of 1948, the downward trend has continued. In the first quarter, exports were at an annual rate of 5,400,000 tons, or 8.3 percent of the supply; in the second quarter, 4,300,000 tons, or 6.7 percent of supply; in the third quarter, the annual rate of exports was down to less than 3,700,000 tons; and by the fourth quarter, the annual rate of exports was 3,300,000 tons, or 4.8 percent of the supply. For purposes of comparison, it may be noted that in the immediate prewar period, exports accounted for 7.6 percent of the supply.

The sharp increases in steel production abroad in 1948 contributed importantly to the reduction of foreign demand upon the United States. This is particularly true of the European recovery-program countries where most of the production increase was concentrated, and which before the war required little steel from the United States. For the most part, increased output abroad was used to satisfy indigenous needs, but a part was also used to fill demands in other countries. Exports of steel from the United Kingdom in 1948 were back to prewar levels, and exports from Belgium and Luxemburg, the chief competitors of the United States in the steel export field, were substantially above prewar.

Aside from the extension of export controls during 1948 to cover almost every form of steel exported from the United States, export licensing restrictions were tightened by reducing the validity period of outstanding licenses from 12 months to 6 months, and by requiring the use of an individual license application for each shipment of each steel product to each country of destination. In addition, the total export quotas established for each steel item under control were divided into fairly rigid subquotas for each country. These country quotas were determined after careful screening of requirements statements submitted by foreign governments and supplemented by United States embassies abroad. Some country quotas for some items were heavily oversubscribed, particularly, as in the case of Venezuela or South Africa, where ample dollar exchange was available and long-term market prospects are good; in no other cases, notably those in-

volving countries of western Europe, the total volume of applications was smaller than the established quotas. The country quota system assists needy countries to obtain steel from United States suppliers by restricting exports to those markets which might otherwise tend to monopolize export tonnages.

An increased share of the steel exported from the United States in 1948 was destined for special-projects operations and activities abroad of such high importance to the United States as to merit special attention to their requirements for steel and other scarce materials. Roughly one-fourth of the total steel quotas were earmarked for these projects, most of which are owned or controlled by American interests. The bulk of the steel moving under special project license was used for petroleum operations abroad, in Venezuela and other countries of Latin America, and in the Middle and Far East. Smaller quantities were licensed for a number of mining operations engaged in the production of strategic and critical materials needed in the United States. Practically all of the casing and oil-line pipe and large portions of the unlined storage tanks, seamless black pipe, structural shapes, and reinforcing bars which were permitted for export were needed to maintain and expand these special-projects activities abroad.

Nonferrous metals

The nonferrous metals—copper, zinc, lead, tin, and aluminum—currently offer the most serious supply problems to the United States. The world-wide scarcity, the immediate needs of the strategic stock pile, the expanded military programs, the high level of domestic industrial activity, and continued foreign demands indicate that the shortage of nonferrous metals will not be overcome in the near future.

The United States has long been dependent on foreign sources to meet a large portion of its non-ferrous-metal requirements. The high level of consumption during the war and in the postwar period has increased this dependence. In recognition of our reliance on imports for these basic metals, the Department of Commerce has made special efforts to stimulate foreign production and increase the volume of shipments to the United States. The non-ferrous-mining operations in the Western Hemisphere are classified as special projects, and receive preference in the allocation for export of short-supply materials from the United States. Virtually all of the requirements of these operations for maintenance, repair, and operating supplies, as well as materials for new development and facilities, come from the United States.

The increasing pressure on non-ferrous-metal supplies during 1948 was reflected in a tightening of export controls. Aluminum plate, sheet, and strip were added to the positive list in August 1948 because of rapidly expanding domestic demand and a relatively high level of exports. The quotas which have been established for aluminum will result in a sharp decrease in the rate of exports. Quotas for other nonferrous metals were also reduced during the year.

The bulk of the exports of copper and zinc have consisted of refined copper and slab zinc produced from imported ores. Much of this material entered the United States for processing and reexport. Although licenses are required for these reexports, it has been the practice to permit comparatively free exports of products processed from imported ore. This policy has been adopted in order to stimulate the movement of ores to this country and to keep United States smelters operating at capacity.

Food

World supplies of cereals are becoming more adequate to meet the minimum re-

quirements of all countries provided they would move into the channels of trade at the proper time and in fair proportions. Because of dollar shortages in most importing countries and price considerations in the exporting countries, these conditions would not be met without certain Government controls. Cereal grains and their products, excluding rice, are not presently controlled for export to the Western Hemisphere countries and the Philippines, licensing requirements having been suspended in the last half of 1948 after good harvests were assured and supplies from the new crops began to come to market. Shipments of wheat, wheat flour, oats, barley, and grain sorghums to Western Hemisphere countries and the Philippines were removed from export restrictions in August 1948. Export-license requirements for corn to these countries were continued until December 1948 in order to protect supplies from the poor crop of 1947 and until grain from the bumper crop of 1948 began to appear on the market. Export-license requirements for rye and rye flour were also continued until December because of the limited supplies of that crop in this country.

While world supplies of meat are only slightly below prewar, the decline has been substantial in the importing countries, and much of the increase in the exporting countries has been retained for domestic consumption. World requirements for meat are far in excess of available supplies, and the pressure of rising populations and the desirability of better living standards point to a continuation of the world shortage of meats for some time to come. In view of the tight meat situation, reflected in record prices in 1948, the Department of Commerce has controlled the exports of meat very carefully. Only token amounts have been allocated for export, and only a fraction of 1 percent of our supply was exported in 1948. A large share of the total allocations have been licensed to special projects, many of which produce critical materials which augment United States supplies. Latin America and the Philippines have been allotted the remainder, and the bulk of the shipments has consisted of pork.

The outlook for fats and oils supplies in 1949 is favorable. Indications are that large oilseed plantings will be made again this spring, and the spring pig crop is reported as 10 percent over the previous season's crop. With favorable weather conditions, a further easing of the fat situation can be expected, although supplies do not appear sufficient to meet total potential demand for both domestic and foreign needs. The improving fat situation in the United States is part of a general easing in the world shortage of fats and oils.

Textiles

Only a few textile items are under export control. Since output of raw cotton and cotton goods is ample to meet all domestic demands, and to provide a substantial surplus for export, these products are free of positive list control. Rayon and other synthetics are exempt from control for the same basic reason. In the case of wool, where the United States is dependent upon imports to meet a major part of its needs, controls are likewise unnecessary because of the general adequacy of world supply and because of the traditionally low level of export demand.

Positive list controls over textiles, are limited to fibers not produced in the United States—jute, manila, and sisal—and to their products, including binder and baler twine. In general, exports of these commodities were higher during 1948 than in the prewar period. As before the war, however, exports have been relatively unimportant in comparison with domestic consumption.

Building materials

Few building materials normally enter the export market to an appreciable extent. Controls, therefore, have been exercised on a selective basis, and materials have been removed from export control as rapidly as permitted by the underlying supply-demand situation. An important action in this field recently was the decontrol of gypsum board and lath, the interior wall materials most widely used in residential construction.

At the present time only a few building materials items remain under export control. These are the items presently in shortest supply, such as water-closet sets, metal window and door frames, cast-iron soil pipe, iron and steel conduit, and woven-wire screen cloth. Exports of prefabricated houses also are subject to individual licensing. Continued selective control is essential in this field in order to prevent excessive drains on the domestic supply which might impede needed construction.

Coal

The coal situation improved materially in 1948, both in the United States and abroad. Increased production in western Europe, as well as the scarcity of dollars, has eased the pressure of demand upon the United States, and domestic production has been adequate to supply both domestic needs and reduced foreign requirements.

The decline in foreign requirements, coupled with continued high levels of production and rising stocks, have permitted a relaxation of export restrictions. Since September 1948, coal has been under open-end quota, and applications have been licensed freely. Controls have been maintained chiefly because of continued shortages of high grades of low-volatile coal. If production continues to increase in Europe and is maintained near current levels in this country, it may be possible to delete coal from the positive list in 1949.

Petroleum

The petroleum-supply position this year has proved adequate not only to meet the seasonally high summertime demands for gasoline, but also to permit the build-up of substantial inventories of heating oils to meet the needs of winter consumption. A careful check has had to be maintained on the volume of exports, however, because petroleum continues to be in seriously tight world supply.

The balance in supply and demand was achieved in this country in 1948 by importing more petroleum than was exported. This is a basic change from prewar when, in 1939 for example, exports were five times as much as was imported. In recognition of the increased dependence of the United States and western Europe upon petroleum supplies from the Middle East and Latin America, the Government has followed a policy of supporting petroleum projects in those areas with such materials as could be made available. About 80 percent of the steel allocated for export for all project purposes—petroleum, mining, transportation, food, and so forth—is being used for petroleum operations.

Chemicals and drugs

The year 1948 was, in general, a peak-production year for chemicals and drugs, by the end of which many of the more acute supply shortages had been overcome. A major factor in the postwar world shortage in this field has been the disruption of the European industry. The increased production in the United Kingdom and Germany during the past year and the expansion of output in Italy, Switzerland, South Africa, Canada, and Australia have lessened the pressure on United States supplies.

The pattern of United States export controls has followed closely the changes in the

supply situation and outlook. During the year such important products as soda ash, caustic soda, lauryl alcohol, phenol formaldehyde resins, creosote, insulin, and streptomycin were removed from the positive list. On the other hand, for a few other products it was necessary to tighten controls because of growing shortages of the basic nonferrous metals from which they are derived. These include antimony oxide, the lead chemicals, and the chromates.

Coal chemicals

One of the immediate byproducts of the coking of coal is crude coal tar which, when further distilled, is a source of a large number of chemical products, including benzene, toluene, cresols, creosote oil, and naphthalene. From these in turn are derived such finished products as plastics, dyes, synthetic fibers, pharmaceuticals, insecticides, and explosives. Of the coal chemicals, those still in short supply in the United States—cresols, cresylic acid, benzol, and phenol—are subject to export controls.

Chromium chemicals

Most important of the chromium chemicals is sodium bichromate, which is used directly in the textile and tanning industries, and is also the base from which chromic acid, potassium bichromate, and chromium tanning mixtures are produced. United States supplies are inadequate to meet both the present high level of domestic consumption and unrestricted foreign requirements, and accordingly, reduced export quotas have been imposed.

Caustic soda and soda ash

The alkalies afford excellent examples of the need to keep export control authority flexible to meet changing supply conditions. At the beginning of 1948, the world shortage of these materials was acute and foreign requirements far exceeded established export quotas. During the year, however, increased domestic production and a sharp decline in foreign demands made possible, first, an easing of quota restrictions, and finally, the removal of soda ash and caustic soda from the positive list.

Drugs

The most important recent export control development in this field has been the decontrol of streptomycin. As United States supplies increased it was possible to liberalize the amounts authorized for export. In the third quarter of 1947, the export quota was 825,000 grams; by the second quarter 1948 the quota had been raised to 6,000,000 grams, and for the remainder of the year, streptomycin was licensed under an open-end quota. A review of the situation at the close of the year indicated domestic requirements of less than half of expected supply so that export controls were no longer necessary on that account.

Fertilizers

Fertilizers are composed of three types of primary materials, nitrogenous, phosphatic, and potassic. There is a world shortage of fertilizer material which is particularly serious in the case of the nitrogenous.

Current United States supplies of phosphatic fertilizers are adequate to permit free exports without adverse effect, so they are no longer on the positive list.

Prewar, Germany was the world's major supplier of potash. Approximately 60 percent of Germany's resources are located in the Soviet zones. Potash supplies for western Europe now come mainly from France, Spain, and Palestine, and some from Russia. Shipments of potash from the United States to Western Hemisphere destinations and the Philippines are not subject to export licensing, but exports to all other areas are tightly controlled.

Nitrogenous fertilizers are subject to strict export controls to all destinations. Most of the western European countries produce these fertilizers, but, except for Belgium, Italy, Norway, Switzerland, and the United Kingdom, imports are required to supplement indigenous production. The only other exporting countries, in addition to the United States, are Canada and Chile.

Machinery and equipment

The major machinery items whose exports are controlled in order to protect the domestic supply are railway freight cars and parts. To conserve steel and insure increased domestic freight-car parts, freight cars were placed on the positive list on July 1, 1947. Production has been steadily increasing since the beginning of 1947; but the total of cars in operation has not increased appreciably because of the large number of retirements. To prevent the assembly abroad of complete cars from United States parts, freight-car parts, and air-brake equipment were added to the positive list in February 1948.

While some commodities in the machinery category are still in tight supply, the producers themselves have limited exports, thus obviating the necessity for Government controls. Production of motor vehicles, for example, is still short of demand, but exports in 1948, in the absence of controls, represented a little over 6 percent of production, compared with 7 percent in 1947 and 8 percent prewar. The situation with respect to farm machinery and tractors is essentially the same.

Lumber

The high level of lumber production reached in 1947 has been maintained throughout 1948. While domestic demand for lumber has been large, all requirements including a high volume for housing construction have been met. Imports of lumber, which come chiefly from Canada, have increased even more sharply than domestic production. With these increases in supply, shortages in the common grades of lumber have eased considerably during the past year.

Exports in 1948 represented 1.4 percent of the total new supply as against 3 percent in 1947, and 5 percent before the war. The sharp drop in lumber exports stems chiefly from the contraction of foreign demand. Supplies were ample, but foreign orders were not forthcoming in sufficient quantity to absorb even the limited export quotas established by the Department of Commerce. In line with the policy to retain export controls only so long as there is a clear need for their continuation, virtually all lumber was removed from the positive list as of January 1, 1949. The only lumber items remaining under control are Port Orford cedar (a specialty product used to make separators for storage batteries), railroad ties, and millwork.

SECTION-BY-SECTION ANALYSIS OF THE BILL

In general the bill would provide for the continuation of the existing export control authority. The scope of the export control program proposed by this bill is for most purposes identical with the scope of the program under existing law. The principal differences proposed by the new bill are concerned with provision for a more effective enforcement program, and making mandatory the requirement (1) for interdepartmental consultation as to specific items to be controlled and the extent of the control, and (2) for consultation with representatives of the export trade concerning licensing criteria and related matters.

Section 1

Section 1 would provide that this act may be cited as the "Export Control Act of 1949."

This section also sets forth findings which justify the necessity for the continuation of export controls.

Section 2

This section would provide that the control of exports shall be used to the extent necessary to effect certain policies of the United States, namely: (1) To protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (2) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (3) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

Section 3

This section would authorize the President to prohibit or curtail the exportation from the United States, its Territories, and possessions, any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe in order to effectuate the policy set forth in section 2. To the extent necessary to achieve effective enforcement of this act such rules and regulations may apply to the financing, exporting, and other servicing of exports and the participation therein by any person.

Subsection (b) would provide that the President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

Section 4

Subsection (a) of this section would provide for consultation by the department, agency, or official determining which articles, materials, or supplies shall be controlled and the extent to which exports thereof shall be limited, and the several executive departments and individual agencies concerned with aspects of our domestic and foreign policies and operations having important bearing upon exports. These provisions requiring such consultation, while not contained in existing law, are presently being used to correlate to the fullest extent possible the activities of the departments and agencies responsible for determining export quotas with those departments and agencies concerned with other aspects of our domestic and foreign policies and operations having an important bearing on exports. The provisions of this subsection would make such consultation mandatory.

Subsection (b) would provide that in authorizing exports full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters. To effect this purpose this subsection would require that provision shall be made for representative trade consultation.

This subsection would also provide that in addition to utilizing competitive trade channels insofar as practicable in the authorization of exports there may be applied such other standards or criteria, such as destination, end-use, or price criteria, as may be deemed necessary by the head of such department or agency, or official to carry out the policies of this act. Destination, end-use, and price criteria are presently applied with respect to the control of exports under provisions of existing law.

Section 5

This section would provide for the civil and criminal penalties, which, upon conviction may be imposed for violation of any

provision of the act or any regulation, order, or license issued thereunder.

Section 6

Subsection (a) of this section would provide for certain authority which may be exercised by the head of any department, agency, or official exercising any functions under the act with respect to the making of investigations of, the keeping of records by, and the inspection of books, records, and other writings of, any person affected by the provisions of the act to the extent necessary or appropriate to the enforcement of the act. Subpena powers would be authorized to require the appearance of persons or the production of books, records, and other writings, or both, to the extent necessary or appropriate to the enforcement of the act.

Subsection (b) of this section would provide for the application of the immunity provisions of the Compulsory Testimony Act of February 11, 1893, with respect to individuals who specifically claim such privilege.

Subsection (c) of this section would provide that no department, agency, or official exercising any functions under this act shall publish or disclose information obtained thereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department, agency, or official determines that the withholding thereof is contrary to the public interest.

Section 7

This section would provide for the exemption of functions exercised under this act from the Administrative Procedure Act, except as to the public information requirements of section 3 of such act.

Section 8

This section would provide for the making of a quarterly report to the President and the Congress by the head of any department or agency or official exercising any functions under the act.

Section 9

This section would define the term "person."

Section 10

This section would provide that the act of February 15, 1936, relating to the licensing of exports in tin-plate scrap is superseded by the provisions of this act. This section further provides that nothing contained in this act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity. Some of the commodities presently under export control pursuant to the provisions of other laws and not affected by the provisions of this act are narcotics and gold, ammunition, arms and implements of war, tobacco seed, and atomic energy materials.

Section 11

This section would provide that the act will take effect on February 28, 1949, upon the expiration of the existing export-control law and also would provide that all outstanding delegations, regulations, orders, licenses, or other forms of administrative action under the existing export-control authority shall remain in full force and effect, until amended or revoked, the same as promulgated under this act.

Section 12

This section would provide that the authority granted under this act will terminate on June 30, 1951, or upon any prior date upon which the Congress by concurrent resolution or the President may designate.

Mr. WOLCOTT. Mr. Chairman, I yield 17 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, it is my judgment that world economic and political conditions make it imperative that our export-control program be extended for two basic reasons:

First, to protect our domestic economy against the inflationary effects of unrestricted foreign purchases of commodities which are still in short supply; and

Second, to channel exports to countries where the need is greatest and where our foreign policy and national security interests will be served best.

I have supported this program since it was introduced in 1940. But I have done so with the understanding that controls would be lifted and normal exporting practices resumed as soon as the supply situation and the national security position permitted.

Consequently, it has been a matter of increasingly grave concern to me that controls have not been removed more promptly when circumstances have warranted such action. Consider for instance, agricultural commodities, and particularly fats and oils. Despite enormous surpluses, controls were not relaxed at all until mounting pressure forced belated action by the Department of Commerce several days ago.

The fats and oils situation, Mr. Chairman, is nothing short of tragic. In the face of tremendous shortages throughout the world, huge surpluses have been permitted to accumulate here in the United States. These huge surpluses have demoralized our domestic markets. I shall discuss briefly a few of the more serious aspects of this unfortunate situation:

First. Lard is selling below cost of production. The present price is from 12 to 15 cents per pound, while the price of the live hog is about 20 cents. The surplus of lard is constantly increasing, and last year's enormous corn crop assures continued high production of hogs this year. Furthermore, the thousands of animals killed in the recent western blizzards will be fit only for rendering. This will add large quantities of fats to the surpluses already on hand.

Second. During the past decade the production of soybeans in the United States increased from approximately 60,000,000 bushels in 1938 to 220,000,000 bushels in 1948. Perhaps no other factor is more responsible for our present self-sufficient position in edible fats and oils. This is in direct contrast to our position 10 years ago, when we were importers of fats and oils and relied on other parts of the world for our supplies. Unfortunately, however, this tremendous increase in soybean production has had a most depressing effect upon the prices of fats and oils. Not only are we now self-sufficient but our surplus is immense. During the past year soybean prices dropped from about \$4 per bushel to less than \$2.30 per bushel, and soybean oil declined from well above 30 cents per pound to 13 cents per pound.

Third. In May of last year cottonseed oil sold for more than 40 cents a pound at the mills. Less than 6 months later—last November—at the peak of cottonseed marketing, cottonseed oil sold at 20 cents per pound. Currently the price is, I believe, under 14 cents per pound. On January 1 of this year the Bureau of the Census reported 500,000 tons of cottonseed had not yet been marketed. Both the processors, who have bought the bulk of the crop on the basis of 19-cent—not 14-cent—oil, and the cotton farmers, who have not yet marketed their cottonseed, are now faced with ruinous losses. In this connection I may say that my good friend and colleague the gentleman from Georgia [Mr. BROWN], during the course of the hearings on this legislation, brought out the point that Brazil is presently selling cottonseed oil and other oils to Canada and to Italy at 20 cents per pound, and more, whereas the price paid to farmers in the United States for the same oil is 14 cents per pound, or less. And please bear in mind that the American taxpayer is paying for the oil which Canada and Italy are buying from Brazil at the higher price.

Mr. Chairman, top officials from the Department of Agriculture and the Department of Commerce testified that fats and oils are in short world supply. And yet huge surpluses have been permitted to pile up in our country, resulting in complete demoralization of our fats and oils markets. The surpluses are so great that we do not even have sufficient tank facilities for storing the oils. During the next 6 months alone, the best available estimates indicate we will have a surplus of edible fats and oils for export in excess of 500,000,000 pounds.

The testimony given in committee throws considerable light on the reasons for this confusion. The export quotas for the various commodities are determined by what is called the interagency committee. This, it seems, consists of so-called "experts" from the Department of Commerce, the Department of State, the Department of Agriculture, the Economic Cooperation Administration, and numerous other agencies. I refer you to pages 16-19 and 121-123 of the committee hearings where you will find pertinent information brought out in replies to my questioning of several witnesses. In other words, even though the Secretary of Agriculture may recommend increased exports of a commodity in surplus, many months may elapse while the various agencies consider what to do, first individually, then collectively. Meanwhile, surpluses pile up and prices collapse. For example, as far back as last November the Department of Agriculture recommended increased exports of edible fats and oils. The harvests were completed; the existence of huge surpluses was evident; world supply statistics were available—and yet actual lifting of controls which prevented the export of these domestic surpluses was withheld by the Department of Commerce until a few days ago, and even then the relaxation was piecemeal.

Then, too, it appears that the production estimates of the Department of

Agriculture have been inaccurate. Predicting harvests, supplies, and surpluses is of course a risky and difficult business at best, but it does seem the experts, despite our marvelous past performances in food production, are always inclined to take an overly pessimistic outlook. Be that as it may, officials of the Department of Agriculture have demonstrated a timidity or hesitancy—even when crops have been harvested and surpluses piled up—in acting promptly and forcefully to keep the domestic supply-demand situation in normal balance. This particular problem is, of course, administrative rather than legislative, and I am hopeful that the Department will profit from the current disastrous experience in fats and oils. In all fairness, it must be admitted that the unreasonably long delays which brought on the present crisis in fats and oils is attributable primarily to the slow motion of the so-called interagency set-up rather than to inaction by the Department of Agriculture.

All of these facts were brought out in detail in the committee hearings on this bill. Consequently, I offered two amendments in committee: One, proposing that the Secretary of Agriculture should have full jurisdiction over agricultural exports, without review authority by the Secretary of Commerce; the other, proposing to remove fats and oils from export control. Although no one challenged the facts on which my amendments were based, they failed to get majority approval.

I, therefore, decided to offer these amendments on the floor of the House. However, two recent developments have caused me to change my plan somewhat; in the first place, the Department of Commerce has, because of mounting criticism and pressure, at long last placed fats and oils under general license. This action, belated though it be, has the effect of removing them from export control except as to destination; secondly, the Senate has now approved a bill which contains an amendment purporting to provide decontrol of agricultural commodities when in surplus.

Frankly, Mr. Chairman, it seems to me that the Senate amendment could be improved materially by rephrasing. Roughly, it provides for decontrol when the Secretary of Agriculture makes an affirmative finding that there exists a surplus of an agricultural commodity. In my opinion it would be more satisfactory if the amendment provided that the controls would be imposed only when the Secretary of Agriculture made a finding that there was a shortage of a given commodity.

Nevertheless, because I have come to the reluctant conclusion that it may be the best amendment which it is possible to enact at this time in this Chamber and in order to expedite action on this urgently needed legislation, I propose to offer, at the appropriate time, the Senate amendment, which reads as follows:

The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Sec-

retary of Agriculture to be in excess of the requirements of the domestic economy except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

If this amendment is not enacted, there is nothing to prevent the reimposition of controls at the whim of the Department of Commerce. Legislative action is necessary to assure our producers that abnormal surpluses shall not be permitted to demoralize domestic food markets while world food supplies are pitifully inadequate.

Mr. Chairman, it is my conviction that the Secretary of Agriculture should be given final responsibility and full authority for determining the quantities of agricultural commodities, including fats and oils, which are in excess of our own needs and thus available for export. The Congress cannot, of course, insure that the Secretary will exercise this power well. But, by centering the authority and the responsibility in the Secretary of Agriculture, the Congress will remove some of the cooks who may have spoiled the broth up to now. The enactment of this amendment should serve notice that the Congress will no longer tolerate indecision, inaction, and long delays which impair our national economy. The costly fats and oils tragedy must not be repeated.

Accordingly, I urge Members on both sides of the aisle to support the amendment which I will offer at the proper time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield.

Mr. AUGUST H. ANDRESEN. I am sorry I was not present when the gentleman started, but is it a fact that the Department of Commerce has removed the restrictions on the exports of fats and oils?

Mr. TALLE. The Department took such action first on inedible fats after hearings on the pending bill were under way. A few days ago controls were relaxed on edible fats. The Department was under great pressure to do so—but of course under present law the controls can be reimposed.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield just for a moment?

Mr. TALLE. I cannot resist yielding to my distinguished friend from Georgia.

Mr. BROWN of Georgia. The gentleman from Iowa is a splendid member of our committee. He understands the subject which he is now discussing. He has been in attendance every minute at the committee meetings.

Mr. TALLE. I thank the distinguished gentleman from Georgia very much.

Mr. BROWN of Georgia. I expect to offer this amendment on page 3 after line 2:

Page 3, after line 2, insert the following new subsection:

"(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess

of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof."

That is practically the same amendment, I think, that was adopted by the Senate.

Mr. TALLE. I propose to offer the Senate amendment, so we are in agreement on that.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to my colleague from Iowa.

Mr. HOEVEN. First of all, let me congratulate my colleague on his splendid presentation. I understood my colleague to say that unless this amendment was adopted, the authority would still rest in the Secretary of Commerce to determine whether or not these controls should be imposed or removed.

Mr. TALLE. The gentleman is right.

Mr. HOEVEN. It is further my understanding, gathered from reading news reports some days ago, that the White House had assured the chairman of the Committee on Banking and Currency that hereafter jurisdiction would be lodged in the Secretary of Agriculture and not in the Secretary of Commerce. Would the gentleman care to comment on that? It is my understanding this is one of the reasons why an amendment such as now proposed, was not adopted in the committee.

Mr. TALLE. I may say to my colleague that that was stated at the time I introduced my amendments in the committee for the purpose of doing what I am trying to do now in one amendment.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to my colleague from Iowa.

Mr. DOLLIVER. I want to compliment the gentleman on the very fine exposition he has made of this matter, and would like to ask this question: In your opinion, was the break in the price of livestock in the markets, beginning along last fall some time, brought about by the surplus of animal fats and other kinds of fats in this country?

Mr. TALLE. Oh, there is no doubt but that there was a very direct connection.

Mr. DOLLIVER. Would the gentleman explain the connection, please?

Mr. TALLE. Well, I will merely repeat what I said earlier, that the price of lard really determines the price of hogs. Obviously, if you have a stopper to the normal outlet for lard supply that is bound to back up and influence the price of the hogs. The result is the farmer gets a lower price for his hogs. But the packer must get a higher price for the meat on the hog when he fails to get the normal price for lard.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to my colleague from Iowa.

Mr. JENSEN. I want to compliment the gentleman on his able presentation, and ask this question: Has anyone in America or in the whole wide world benefited by the piling up of fats and oils in America except the soap manufacturer?

Can the gentleman think of anyone, except the soap manufacturers, who has profited?

Mr. TALLE. I will answer that by saying that it certainly has been very harmful to the people who should get the money; that is, the cotton farmers who bring their seed to the crushers, the hog farmers who bring their hogs to market, the soybean people who bring their soybeans to the crushing mills. They are the people who do the hard work. Certainly they should have a just reward for their arduous toil.

Mr. JENSEN. The low price of lard and fats and oils raised the price of meat, did it not, naturally, in order for the packer to make a profit?

Mr. TALLE. He had to, otherwise he could not come out even on his operations.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am pleased to hear the gentleman from Iowa [Mr. TALLE] is in favor of the amendment which I shall offer at the appropriate time. I am glad our minds are together on this amendment. It makes me more sure that I am correct in offering it.

Some time ago the people representing the growers of agricultural commodities and the processors came to my office and told me what they wanted. They wanted the authority in the Department of Agriculture instead of the Department of Commerce to say how much surplus we had, and then to say how much of the surplus we could afford to export to other countries. This is the principal thing they complained about. In the committee it appeared as if most of the members of the committee were in sympathy with the proposal that the Department of Agriculture should have this authority. The President called up our chairman and then called me and said that he hoped I would not offer the amendment. I read him the amendment and he had no objection to it and said I could assure the committee that he would delegate this authority to the Department of Agriculture. Therefore, I did not offer the amendment in the committee.

Since that time the growers and processors have decided that agricultural commodities should be decontrolled when in excess of the requirements of the domestic economy except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2. That is the amendment I shall offer later and is the amendment referred to by the gentleman from Iowa [Mr. TALLE].

Mr. Chairman, the Secretary of Commerce or his assistant appearing for him at the hearing in behalf of H. R. 1661, said that—

Generally speaking, the purposes to be accomplished by this bill are to protect the domestic economy by limiting exports of scarce materials, and to channel exports to countries where need is greatest and where our foreign policy and national security interests would be best served.

If this policy is adhered to, there would be little or no objection to it. Generally speaking, export controls do not promote trade and commerce for our products here, and we should have controls only under certain emergency situations. I do not believe that it was ever the intention of Congress to have surplus commodities under controls.

Our policy for years has been to do away with all restrictions which impede commerce, especially with reference to surplus commodities we have to sell.

No one should oppose the export control of critical and strategic metals and minerals.

The testimony at the hearing made it clear there are a number of commodities still in short supply in this country and in the world, such as steel, petroleum, and electrical goods. There are also a number of commodities of high strategic value, particularly special metals, which are in limited supply here and abroad.

I agree that this Government should have the power to control the exports of these items in short supply in order to control inflation at home. For our national security I also believe we should not permit unlimited export of our limited supply of strategic commodities.

Furthermore, it appears prudent from the standpoint of our national security to vest in the administration the power to control the destination of certain strategic and critical items. Also, we are committed to a policy of rehabilitating and assisting the countries participating in the European recovery program. I think the people of this country are in accord with these broad objectives. At least we in the committee have heard no objections to this policy.

In granting such powers, the authority must obviously be rather broad and must contain considerable discretion. The Congress clearly is not in a position to determine which individual commodities should be controlled, to what destination, when, and for how long. For this reason the over-all power is given to the President and he, in turn, is given the right to delegate this authority.

It is the administration of the export-control program that has concerned me. I have not been satisfied with the way the program has been administered in the past. We have endeavored to see to it that the administration will be improved in the future.

The particular complaint in the past has been that controls have been retained longer than necessary. In the case of fats and oils, for instance, strict allocations and individual licenses were still required long after the supply situation had completely changed from one of shortage to one of surplus. This year, for instance, the production of edible fats and oils was about 550,000,000 pounds larger than last. Crop reports indicated this surplus months ago. The market reflected the surplus months ago. Crude cottonseed oil, for instance, dropped from about 40 cents per pound in May of 1948 to 20 cents in November, to 14 cents in January of 1949 and to about 11½ cents last week, several cents under OPA prices. The storage tanks were overflowing with oil, crushers were refusing

to buy the farmers' seed. Cottonseed prices were halved in a period of weeks from \$80 per ton to \$40 last week. At the same time, foreign countries still very short of edible fats and oils were clamoring to buy our oils. Our competitors were selling edible fats and oils in world markets for dollars at 30 to 50 percent above our domestic prices. In face of the obvious the administration did too little too late.

Upon investigation we found the procedure for making allocations and administering controls cumbersome. Export policies on agricultural commodities were being considered by large, unwieldy interagency committees of such uninterested parties as the Atomic Energy Commission. The bottleneck we found was the Department of Commerce, which had the final authority over all commodities, even agricultural commodities. Many of us felt the Secretary of Agriculture was the only person qualified to determine the exportable surplus of agricultural commodities, and that he, not the Secretary of Commerce, should have the final authority in controlling exports of any agricultural commodities.

To implement the program and improve the administration, I prepared an amendment to the bill to transfer the authority over agricultural commodities from the Secretary of Commerce to the Secretary of Agriculture.

The President called and talked to the gentleman from Kentucky [Mr. SPENCE] and to me about the amendment, and assured us that he would make such a delegation of authority to the Secretary of Agriculture under the general power conferred upon him by this proposed legislation. I therefore did not offer my amendment.

There was another development that had important influence on the action of the administration on export control of fats and oils. The Senate passed a companion bill on export control, S. 548, with an amendment requiring decontrol of agricultural commodities during any period in which they are determined by the Secretary of Agriculture to be in surplus, provided such action does not interfere with our international obligations and our national security. This amendment was intended as a guide for the Secretary of Agriculture in controlling exports of agricultural commodities.

Following Senate action and further prodding by Congressmen, the Secretary of Agriculture agreed to the decontrol of edible fats and oils. Commerce supported the position and announced the decontrol under the terms of which allocations are discontinued and individual licenses are discontinued to all countries outside Europe and the U. S. S. R. There individual licenses are still required on fats and oils as they are on all commodities.

I am convinced the transfer of authority over agricultural commodities from Commerce to Agriculture, as the President has assured us he will do, will improve the administration of the program. At the same time, it may also be well to write into the bill a guide for the Secretary of Agriculture to follow, namely,

that he will decontrol agricultural commodities when they are in surplus. Writing such a standard into the legislation should prevent the delay in decontrolling other agricultural commodities as was experienced in inedible and edible fats and oils by making decontrol automatic while the surplus exists. This would not interfere with the authority to control shipments to Europe under license.

In this manner the objectives of the bill—controlling exports of scarce and strategic commodities—can be assured and the danger of controls thwarting trade in general commodities can be minimized.

Some people believe that the reason edible fats and oils are selling for much higher prices in Europe than here is because our surplus of oils and fats is being held back.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. ALBERT. Did your committee find out why the Department of Commerce would not issue export licenses, in view of the domestic and world situation with reference to fats and oils?

Mr. BROWN of Georgia. I did my best to find out. I took up about two-thirds of the time of the committee. I practiced law a great many years before I came to Congress. Sometimes a lawyer has to do a little testifying with an unwilling witness. I had to do it in this instance. I think if the gentleman will read the hearings he will find what he wants.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, in 1940 the Congress enacted legislation which gave the President authority to control exports. That power has been continued periodically. Last year the power was continued until February 28, 1949. The powers which the President has had have not been materially changed since their inception in 1940. The only change that I recall that has been made was when the extension was enacted last year, the Congress provided that the President might take into consideration price criteria in determining to whom these licenses should be granted. I never quite knew why we gave him that authority. I argued that to give him the authority would perhaps result in certain discriminatory practices which would not be conducive to stability either in the foreign market or the domestic market. Some were unkind enough to charge that under the price criteria provisions the President could invoke control of the prices of commodities of domestic production. I bring that out only to show that during the time that this export control authority has been in existence, from 1940 down to date, covering the period of preparedness, covering the period of the war, covering the 3 years of postwar economic adjustment throughout the world, the President has not asked for any additional authority than that granted him in the original 1940

act, until this relatively inconsequential change was made last year.

We reenacted this legislation last year as an aid to inflation control. There were two basic reasons why we had inflation: One was the loose money policies of the Government; the other was the unusually heavy demand by foreign countries for American goods in short supply. In order that he might balance foreign demand against domestic stability we gave the President almost carte blanche authority to control exports; we gave him the authority to prevent all exports from the United States if he saw fit to do so and if it were necessary to protect the domestic economy. We gave him authority to do anything short of this total embargo against any exports, and for 7 years there has been adequate, there has been sufficient, power to enforce export controls.

This bill is probably the first of a very important series of bills which might be presented to this Congress. This bill and the action which you take on this bill sets the pattern. Here is the importance of it: You build the framework of government for years to come; this is the pattern that you cut out for the future of America. I say that because it is now indicative of a change in policy, indicative of the fact that there are still two forces at work in America; one which prides itself on its zeal, desire, and almost insane ambition to perpetuate all of those things which have made America great and strong and potent in world affairs—we call it the American way of life. As opposed to the American way of life there is a large and ever-growing group in America which teaches that we should abandon the American way of life, which teaches that we should adopt totalitarianism and the socialistic state if America is going to expand economically, socially, and politically in its influences. They teach that we must borrow from the works of Marx in order to perpetuate the prosperity which we have enjoyed throughout the last one-hundred-and-fifty-odd years. The issues are clearly drawn between those who would perpetuate the American system and maintain America as a strong economic, social, and political influence and those who would appeal to radicalism, totalitarianism, collectivism, socialism, communism—whatever you may call it—in any form. That is the basic problem before the American people, and let me repeat, this bill determines what the superstructure of government will be, whether the American system of government is going to be changed from one of free enterprise to one of a managed economy.

It has been asked, Why are these new powers—when production is increasing in western Europe, in the face of the fact that in western Germany production has increased over 100 percent during the last year and when production in the other western democracies has increased anywhere from 25 to 80 percent—necessary to expand the power which the Executive has in respect to export controls if it is not a desire to effectuate

the purposes of those who would destroy the fundamentals of American democracy and substitute therefor totalitarianism or socialism?

It is a serious question and one in which you will have to explore the depths of your own conscience to find the answer.

I do not think anyone will contend that the world economic situation is as bad today as it was 6 months or a year ago. We all like to feel that the help which we have given to foreign countries has resulted in increasing production and a very, very long step toward economic stability in many of the foreign countries. So attention should be given to our own economy and the stabilization of our own economy.

My very honored and dear friend, the chairman of the Committee on Banking and Currency, for whom all of us have great respect, the gentleman from Kentucky [Mr. SPENCE], asks, "Why be so captious about a few words?" Well, a few words have changed the destiny of the world and the few words he refers to in this bill can cause a change in the very form of government here in America.

He says we should not have any apprehension about the administration or operation of the plan. Well, the gentleman from Iowa [Mr. TALLE] and the gentleman from Georgia have pointed out that because of the failure of the administration to balance foreign demand against domestic stability, the bottom has dropped out from under the domestic market for fats and oils. So, we must take legislative action to correct the deficiencies in administration in the law already.

The same man who is to administer this law is the man whom this Congress once voted out of office, and is now the subject of a controversy as to whether he leans more favorably toward the American system, or the totalitarian system. He is the man in the Department of Commerce who administers this law. We should have some apprehension about the administration of this law, especially when it presumes to give such broad and unusual powers which are not needed any more than they ever have been needed since 1940 to do an effective job in respect to export controls.

Let us point to one or two of them by way of example.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. I would like to know who the gentleman is speaking about. Is the gentleman speaking about the Secretary of Commerce?

Mr. WOLCOTT. Oh, no.

Mr. SPENCE. Or the Secretary of Agriculture?

Mr. WOLCOTT. No. William W. Remington.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Now, Mr. Chairman, if you will refer to the bill on page 2, line 19, you will find this language:

To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to financing, transporting, and other servicing of exports and the participation therein by any person.

Now, they are to be given under this bill, if this language remains in here, the authority to regulate the financing and transporting of goods for export; and the purpose of the controls of exports found in the declaration of policy is so broad that when you tie that language in with the declaration of policy, you give the administration the power to manage the domestic economy of the United States. Do we now, 3½ years after the cessation of hostilities, in peacetime, even though it is a de facto peace, desire to enlarge the powers, expand the powers, the war powers, which the Government had? Those are the important questions and those are the problems which this Congress, in this bill, have got to solve because, as I said, this is the pattern you are making today. This is the pattern: Do you want to give authority that the Administrator will be able to control over which railroads commodities being sent from the Midwest and the far West to the Atlantic seaboard shall be shipped?

The broad interpretations by the courts on what constitutes interstate commerce are to the effect that anything which affects interstate commerce is subject to the commerce clause of the Constitution. Applying that same logic to export controls, this administration under this act can go into any banking house, any financial institution, and explore into the actions of individuals in respect to financing, the manner in which exports shall be financed. We do not set up any standards limiting the control of the financing, and when we do not set up any standards with respect to control of financing or transporting, of course we give them carte blanche authority—it is very doubtful whether it is constitutional or not—to do what they please in respect to financing and transporting and other servicing. What do they mean by that? Do you know? I do not. What do they mean by "other servicing" of exports? I do not know.

That language, Mr. Chairman, coupled with the declaration of policy, gives the administration the power to control the domestic economy of the United States. Can you now think of giving them the authority to control the economy of the United States or manage the economy of the United States, when you have on such frequent occasions during the cessation of hostilities denied them these powers?

Any official may be designated to administer this act, not any official named by the President and confirmed by the Senate, as we have always written into these laws wherein we transfer and delegate broad executive powers to an official. We have always compelled them to be officials that at least Congress has something to say about appointing. But an official in this instance might be a

section head, because they are left to interpret the act as they see fit. It may be a clerk or a stenographer, who becomes an official upon being designated.

In addition to all the other powers they are given under this act, regulations and orders and licenses may be granted under such standards, such criteria, as may be deemed necessary to carry out the policies of the act. Standards or criteria deemed necessary by whom, and within what limitations? No limitations whatsoever, but standards and criteria established by some department, some agency, or some official, without restraint so long as that official holds that a standard is necessary and a criterion is necessary to effect the purposes of this act, which might include the management of the domestic economy. He can make such standards and criteria effective, and effective how? By providing in the act that if any of your constituents being subject to the provisions of any of these regulations set up to control exports or the domestic economy violate any of these standards or criteria promulgated under regulations issued by any official of the Government, they can be sent to prison for 1 year and fined \$10,000.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LYLE. Will the gentleman take a moment to clear up a couple of points? In the hearings and investigation before the committee on this bill did they go into the past history of the administration of this act?

Mr. WOLCOTT. Yes, there was a good deal of testimony with respect to that.

Mr. LYLE. Did you find any reason then to anticipate that it might be poorly administered and that they might take liberties, as you suggest they can under this act?

Mr. WOLCOTT. No, because the act was so limited that they could not take these liberties. They could not establish standards. The only criteria that they could establish was the one having to do with prices which we provided for last year. Therefore, unless we give them this authority that they are asking for, they have no authority to set up these standards and criteria other than on prices.

I am sorry I cannot yield to the gentleman further.

If you turn to page 4, line 13, you will note that these departments and officials may make investigations and obtain information and require reports for the keeping of records and they may make such inspections of books and records and of other writings or of the property or premises of "any person," and they can take the sworn testimony of "any person." Surely I think that that should be confined to any person who makes an application for an export license because if this provision is enacted into law, then it would apply to any business which is doing a purely domestic business, which might be in competition with another concern doing an export business or another concern doing both export and do-

mestic business because it affects exports. The administration would have the authority under such a law to go into any industry or any business establishment or farm and inspect the property and premises and take the sworn testimony of those persons. This is a new and unusual power which has never been given to the Government even in time of war.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VORYS. Before the gentleman leaves that point with respect to "any person," would that include, let us say, the books and papers of the gentleman from Michigan who is now in the well of the House, whose records might be necessary or appropriate in connection with the administration of this act? I see no exception so far as Members of Congress are concerned.

Mr. WOLCOTT. I assume that under the Constitution we might have certain immunities which our constituents who are fortunate enough to be in the business, the professions, or agriculture, might not have.

You will recall that throughout the years we have discussed what has been called the snooping clause in bills before us. We have always protected our farmers, wage earners, businessmen, and industrialists from abuses with respect to the power to gather information which has been vested in various departments of the Government. But there is no such protection in subsection (c) on page 5. That section reads:

No department, agency, or official exercising any functions under this act shall publish or disclose information obtained hereunder—

That is fine up to that point. Now, reading that hurriedly, one might say, "Well, they are given protection because the departments cannot publish any of this information." But it goes on to say, "which is deemed confidential." Deemed confidential by whom? The person seeking the information? The agency or official seeking the information? Whether one of those deems it confidential?

Now, it goes on with what looks like further protection:

with reference to which a request for confidential treatment is made by the person furnishing such information—

If you stop there, they are given protection. If the person from whom the information is sought wants the matter to be treated as confidential, up to that point the matter is treated as confidential. But the following qualifies this language:

unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

There are no standards with respect to what constitutes the national interest, in this act. It is left wholly to the discretion of the official or department or agency as to whether information, trade information, information in respect to competitors, information in respect to patents, trade practices, farm practices, industrial practices, which may be of

great value to a competitor—that information is not protected.

Now, the sensible thing to do, in the light of the changes which are now taking place in our economic conditions—and regardless of the details, we all do know that something is happening to our domestic economy now—the sensible thing to do is to continue these controls for a year as is; and then in another year or later in the term, if we have to, we will determine what controls are further necessary to fit them into the new pattern which will be cut after we know what is happening to the American economy.

I am going to offer as a substitute for this bill, at the proper time, a bill to continue these controls as they exist in the present law, for 1 year. I hope that the committee will consider it as a very sensible request and will support it.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has again expired.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN.]

Mr. PATMAN. Mr. Chairman, I heard the distinguished gentleman from Michigan [Mr. WOLCOTT], who is a very valuable member of our committee, and who was chairman of the committee during the Eightieth Congress, state that this bill sets a pattern; that the American way of life is involved; that we are determining by our votes now whether we will have a socialistic state or that our vote on this bill will determine whether or not we are changing from a free enterprise system to a managed economy or to a totalitarian government. I do not share his views.

After saying all those things about this bill, the distinguished gentleman finished his speech by saying that he was for it for 1 more year.

CRITERIA USED IN EXPORT LICENSING

There is no single criterion which can be used to divide export quotas among all exporters with perfect equity. To carry out the purposes of export controls as authorized by Congress, a number of criteria or standards have had to be established for the approval or disapproval of export applications. The problem varies almost with each important commodity. Experience has also shown that there must be permitted administrative flexibility in determining proper criteria to meet changing supply and market conditions as well as current foreign policy and national security objectives.

The following are the criteria most regularly applied, and the reasons therefor:

ELIGIBILITY OF APPLICATIONS

Except for the requirement that a license applicant must be subject to the jurisdiction of the United States—a requirement of obvious enforcement significance—everyone is eligible to apply for an export license.

However, certain criteria have had to be established in order to make sure that licenses will be properly used, after issuance. An illustration of such criteria is the requirement that applicants must have valid orders for export or contracts

or other satisfactory arrangements for the delivery of the goods involved. Another illustration is the requirement with respect to some commodities that the applicant present proof that the goods are available to him for shipment if the license is granted. Criteria of this nature also serve enforcement purposes in that they help to prevent trafficking in licenses and speculation by license holders, as well as waste through failure to use all of the limited export quotas.

To carry out the objectives of export controls, other standards or criteria must be applied in selecting applications for consideration. These include, for example, the intended foreign consignee or destination, and the end-use involved. The pertinence of these criteria in terms of foreign policy or national security is self-evident.

To a limited extent and as an anti-inflationary measure, for which export controls are also intended, some applications may be disqualified for exports proposed to be made at obviously excessive prices.

The last sentence of section 4 (b) of H. R. 1661 provides for authority to employ the foregoing standards or criteria and such others as may be deemed necessary to carry out the policies of the act.

DISTRIBUTION OF EXPORT QUOTAS AMONG QUALIFIED APPLICANTS

This problem arises only when the total quantity of a commodity which can be spared for export is substantially less than the total of qualified applications therefor. Prorating limited export quotas equally among all applicants is not a practical or equitable solution to this problem. It would result in allotting to each applicant very small amounts which could not usually be shipped economically. It would also be manifestly unfair to established firms with long records of supplying a major portion of foreign markets. Therefore, the qualifications of the exporter are taken into account. While licenses cannot be approved for all applicants, each class of applicant—merchant exporters as well as producers, and established and new exporters—is given a share of the export quota. The extent of such shares may vary with the commodity involved and the nature of the trading therein. Accordingly, committees of representative businessmen in each major commodity field have been established to advise the Office of International Trade for this purpose. In this connection, attention is directed to the first part of section 4 (b) of H. R. 1661, providing for the application of such criteria and further requiring that there shall be representative trade consultation in determining the proper distribution of licenses.

I would like to call your attention to the difference between the present law and the bill that we have before us.

First, the policies set forth in this bill are practically the same as the policies set forth in the law that was passed by the Eightieth Congress, when the distinguished gentleman from Michigan [Mr. WOLCOTT] was chairman of the Committee on Banking and Currency of the

House, and sponsored the bill in the House. There is no substantial difference in the policies.

Next, may I invite your attention to the fact that this bill is not opposed by the trade. Further, especially, I desire to invite your attention to the fact that no one has criticized the administration of this law, either present laws or the laws before it. We have had no charges of unfairness in the past, since 1940. Why should we assume that we will not have good administration in the future?

May I invite your attention further to the amazing fact that nine-tenths of the commodities under control during the war have been decontrolled? Putting it another way, only one-tenth the number of commodities formerly under control are now under control, and it is absolutely necessary that some restraints or control be placed over these scarce and vitally essential articles and commodities.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. During the war there were something over 3,000 items under control. Today a little less than 386 commodities are under control.

Mr. PATMAN. That is right; about 10 percent.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SADOWSKI. Did the gentleman say there has been no criticism of the administration of this act?

Mr. PATMAN. That is right; no criticism has been urged. That is, I mean, no charges of unfair administration. The trade is in favor of it.

Mr. SADOWSKI. None of the exporting or importing companies have criticized the administration of it?

Mr. PATMAN. No; not one.

Mr. SADOWSKI. I have heard and I have received quite a few protests about the administration of the law.

Mr. PATMAN. I am just talking about the testimony before our committee. That is all I have to go by.

Mr. SADOWSKI. I have received and I believe other Members of Congress have received, protests about the administration of the export-import controls.

Mr. PATMAN. The gentleman is giving me the first information I have had on it. I am talking about the information we had before the Committee, the only information I had to rely upon.

Mr. SADOWSKI. I could cite to the gentleman one particular instance.

Mr. PATMAN. I do not want to yield for that purpose right now, if you please; because I am talking about the testimony before the committee and we had a number of witnesses. The trade did not oppose it. There was no criticism of the administration.

REA

There is one group in this country that is vitally interested in the passage of this bill; they are the REA's. More than 600 Rural Electrification Administration cooperatives are vitally interested in the passage of this law. They know that if

there is not some control their opportunity to get valuable conductor for electricity will be greatly limited. With proper export control and screening the applications that only permit that to go out of the country that is absolutely necessary, the REA's will get more conductor for electricity. So every REA in this Nation, every one, is vitally interested in the passage of this law.

SMALL BUSINESS

Another group is a small business group. They know that if too much of these scarce items, articles of trade, go outside of the country that the opportunity for small business to get an adequate share of these items will be greatly reduced. The big man can look after himself; he will get plenty through reciprocal trading with the other big concerns of the Nation; he does not want for scarce materials or items; each supplies the other. But it is different with the small businessman. He is the fellow who is first hit when we send out of the country these scarce materials that are needed here to supply the needs of small business. So there are two groups vitally interested in the passage of this law, not weakened like the gentleman from Michigan said, but with good enforcement provisions in it as well. Let me give you an illustration of a law that was passed by the Eightieth Congress that will demonstrate to you why no weak law should ever be passed. If you are going to do anything, do it right with the right kind of provisions for enforcement: The Rent Control Act of 1947, passed during the Eightieth Congress. It gave the tenants no security at all. Oh, the tenant had the right to sue for treble damages, but if he did the landlord had many ways he could evict him; so the result was that the tenant would not dare sue for treble damages, the tenants would not dare resist the landlords if they demanded an increase of 25 or 50 percent. They gladly and willingly paid because they knew they could be evicted under that law. Tenants all over the Nation have paid these illegal rents and the landlords have accepted them. I believe it runs into millions of cases. The law has been generally disregarded for the reason that the tenant has no adequate security if he refused to pay the rent or if he attempted to sue for damages to get it back. He would be put out instantly.

If we vote for a strict and rigid rent-control law it will have the effect not only of rolling rents back but protecting the tenants. You will remember in those illegal cases the awful time we had in the old OPA days. There was no satisfactory way of doing it. So by reason of that weak rent control law we are now called upon to vote not only to roll the rents back in those millions of cases but to arm that tenant with security. He will go to the courts of the country and sue the landlords for treble damages for the past year. He will then be secure. At the present time he is not. That is the result of a weak law not enforced and no adequate means to enforce it. If we are going to have a law

let us have one that can be enforced and enforced right.

Much has been said here that the Secretary of Commerce should not be the one to enforce the law. Why, the Eightieth Congress wrote that into the act. It was never there before. Under the law passed by the Eightieth Congress the enforcement of the act was not restricted as it is in this bill to one designated by the President, a department, agency, or official of the Government. Under the old law he could even appoint a clerk or a citizen, one who had never taken the oath and probably would not be required to take it. This restricts it to officials of our Government. So this is a restriction rather than a loose phrase as appears in the existing law.

There are three main provisions in this new bill that will amend existing law which I think are vital.

First, it provides for consultation with industry. When the first OPA bill came up we spent 4 months examining witnesses and interrogating witnesses about price control, four long months, sometimes in the night as well as in the day. At that time I had the privilege of offering the first amendment requiring consultation with industry and that went into the original OPA act. Heretofore, we have not had a compulsory consultation with industry and trade in this law, but our committee in bringing this bill out this time requires it by a provisional on page 3. It is a good one and will protect your REA's and your small businesses and other people who are not a part of the big business interests of our Nation. It protects small business.

The second concerns violations. Heretofore it has been difficult to enforce the law because the penalty was such that a grand jury indictment was necessary before you could proceed in the courts. This changes the penalty so that an information can be filed by the United States district attorney and therefore there should be no delay in the enforcement of the provisions of this act.

Those two provisions are vital—consultation with industry and the penalty provisions changed so that the law can be enforced without being cumbersome as has been the case in the past.

The third is permitting enforcement. They have been hamstrung in the enforcement of this act because they did not have power to go behind the fronts and see who was really making the application for permit. They could not go back and see the people behind him, they could not examine books and papers. This bill, if enacted into law, will give them the enforcement weapons and vehicles that any law-enforcement officer needs in order to adequately enforce a law. It is the usual and customary provision in a law that you really want to enforce. Now, if you want to do it like the Rent Control Act and just make it so weak that it cannot be enforced, just take the teeth out of this provision as stated by the gentleman from Michigan. But, I do not believe that the Members of this House want to do that.

You want a law that can be enforced, and adequately and properly enforced.

The steel situation in this country is still a critical one. We do not have enough steel. We lack 10,000,000 tons of steel this year for maximum employment and production. Do you not think that we should have somebody to carefully screen these applications for export of steel to make sure that it is absolutely necessary that it be exported or that it not be exported at all?

The same is true as to copper, zinc, lead, tin, and aluminum, and especially aluminum that the REA is using now as a conductor.

Then there are certain items of food.

Textiles, I believe, have been taken off the positive list. An item on the positive list is one where it can be exported without a permit to all countries in the world except the R countries, the Russian countries; that is, Russia, her satellites and European countries. They remain on the R list after they have been taken off the positive list, and they should remain there, depending whether or not they can be used for military purposes. That is the object of it.

Some building materials are still critical and we should carefully screen certain items before we permit them to be exported.

The next is petroleum. We have plenty of petroleum now, and that is not a problem, but with certain chemicals and drugs and fertilizers there is. We have some fertilizer that is in supply, but most of the fertilizer generally used in this country is scarce. Certainly we should screen the exportation of fertilizer.

Machinery and equipment and other vital items should be screened in the same way and manner.

Insofar as this bill being a pattern for a socialist state, I notice that the main lobbying organizations now, the National Association of Manufacturers, the United States Chamber of Commerce, and the Committee for Constitutional Government, Inc., and those big groups that spend more money, each one of them, for propaganda, than either the Democratic or the Republican Parties spend, are trying to sell the slogan to the American people, "socialism, socialist government, trying to change our form of Government under Mr. Truman." Well, you know, it is an old trick to use a slogan or word like "socialism" or "communism" or "end of free enterprise" when they know it will take some time and logic and reason to answer such a slogan and word as used.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PATMAN. That is an old trick. There is no socialism in this administration. It is in the direction against socialism. I will tell you the direction of socialism in this country, and that is monopoly, concentration of wealth, getting units of an industry all in one package. That is a sure step to Government ownership. They are your socialists. This Government is trying to save our country from socialism, and it is strange

that the people who are crying out socialism against this administration never raise their voices to the extent of saying that they are against monopoly. They are not fighting monopoly or concentration of wealth; never a word from them along that line.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. WHITE of California. I want to make what appears to me a helpful observation in that philosophy, if I may. I notice the gentlemen who cry "Regulated economy" all the while never object when they have a regulation enacted that suits them. For instance, I refer to regulation W of the Federal Reserve Board, which regulates the credit of the little man in this country to suit big business.

Mr. PATMAN. That is right.

Mr. WHITE of California. Regulation W regulates the credit of the country in a way, which suits those gentlemen who ordinarily do not like regulation. They do not complain about that.

Mr. PATMAN. That is right.

Mr. WHITE of California. They do not call that regulation.

Mr. PATMAN. And that same Federal Reserve Board has almost wrecked our country two or three times.

Mr. WHITE of California. The gentleman is absolutely correct.

Mr. PATMAN. In 1932, when the banks and the railroads and the insurance companies convinced the then Administration that an RFC should be passed, it was confined only to those three. Remember that. Banks, railroads and insurance companies; and when the RFC opened its doors the first morning, who was down there with hat in hand to get the first money? The biggest bankers and managers of industry and commerce in our Nation. When we put out billions of dollars to them it was all right, there was no socialism there then, no, not at all, but when you come around helping the little fellows, as we did after the Democrats came into power, we changed that RFC act, we enlarged it, and we changed its powers to help the little fellow. Then they began to say socialism.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. LYLE. As I understand the gentleman, the main purpose of this legislation and the necessity for it is to protect the American consumer and American business against the shortages that might result from an unregulated export because of high prices and various other things.

Mr. PATMAN. The gentleman is correct.

Mr. LYLE. Second, the purpose is to protect our foreign policy so that we may have some control over the geographic distribution of our exports.

Mr. PATMAN. The gentleman is correct. That policy was stated in the bill passed by the Eightieth Congress and it is the policy that is stated in this bill.

Mr. LYLE. Have the investigations of the gentleman's committee convinced

him that these restrictions are necessary?

Mr. PATMAN. They are necessary as long as materials are in short supply, like the materials needed by the Rural Electrification Administration and small business groups generally.

Mr. LYLE. Do you automatically decontrol those items when they are no longer in short supply?

Mr. PATMAN. They will be decontrolled by the President, as heretofore. As evidence, he has decontrolled nine-tenths of them. Only one-tenth remains.

Mr. LYLE. It may then be that long before this statute has expired there will be no controls at all?

Mr. PATMAN. That is right; it is possible.

Mr. Chairman, I hope the bill is passed as is, and that none of these devastating, destructive amendments are adopted.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The Secretary of Commerce did not decontrol fats and oils, did he?

Mr. PATMAN. He was getting to it as rapidly as possible. Does not the gentleman believe he would have been doing the owners of fats and oils and the producers a great injustice to decontrol them if they did not have a market for them? They had to release the supplies as the ECA money was available to the countries that would take them. Suppose he had thrown all that supply on the market at one time, there is no way of telling how far the market would have gone down and ruined the producers. It would have hurt them much more. They were looking at it from that standpoint all the time, too. They were decontrolling it just as fast as the market could take it, which was in the interest of the producers in this country. When they reach the point where they can take the controls off entirely, as they have done with nine-tenths of the commodities, they take them off.

Mr. NICHOLSON. Is it not true that when they did not do it it cost every householder in this country a great deal more money for pork and beef, because of the fact that they had to sell their fats and oils half again as cheap as they could produce them?

Mr. PATMAN. I would have to study that statement a little bit before I would agree or disagree with the gentleman.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLE of Kansas. Will the gentleman comment upon his statement about monopolies, with reference to the application of this bill, because this bill does permit a Government monopoly, giving certain individuals a privilege to export, a privilege to do business, when other individuals are denied that privilege.

Mr. PATMAN. Certainly, that is right, just as the Reconstruction Finance Corporation in 1932 had the power to deal with certain individuals—individuals who made application. The Department here will deal with individuals

who make application, just like under the administration of every law. Certainly there will be no discrimination because none has been pointed out so far.

Mr. COLE of Kansas. There is a decided discrimination between individuals who apply.

Mr. PATMAN. I hope the bill is passed as it is, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I feel that the membership of the House should recognize the splendid talents of the chairman of our committee. I have never observed any individual who is fairer to witnesses and who makes a greater effort to hear all of the evidence, as was true during the hearings on this legislation.

The reason I take this time is to point out that I feel not enough time was given to one very important feature involved in this particular legislation during the hearings, and that concerns export controls on critical and strategic materials which we must try to bring together in this country for stock piling for our national defense.

I shall extend my remarks bearing upon these critical materials that we are trying to stock pile in this country. I call briefly to the attention of the House that among the mining operations being supported at the present time under this particular program is a Chilean copper mine, the largest mine in the world, where virtually all of the production from that mine moves into the United States because of the extreme shortage in this country. There are bauxite operations in Trinidad, the entire output of which comes into the United States.

There is a chrome ore concentrating plant in Turkey, the output of which is under contract to the Federal Bureau of Supply. The stock-pile reserve of these materials is still critically short, and unless this legislation is passed without crippling amendments we can render a great disservice to our country.

The Department of Commerce, through its administration of export controls, is very much concerned with protecting the United States position with respect to critical and strategic materials. In general, export controls are used in two ways for this purpose; in the first place, they are used to limit exports of such materials from the United States; and secondly, they are used to channel exports of other essential supplies to certain mining and production operations in foreign countries upon which the United States depends for imports of critical and strategic materials.

The nonferrous metals—copper, zinc, lead, tin, and aluminum—all of which are in short supply in the United States, are subject to individual export licensing control to all destinations. The worldwide scarcity, the immediate needs of the strategic stock pile, the expanded military programs, the high level of domestic industrial activity, and continued foreign demands, all indicate that the shortage of these materials will not be overcome in the near future and will have to be controlled for export.

The increasing pressure on our supplies of these metals during 1948 was reflected in a tightening of export controls. Aluminum plate, sheet and strip were all added to the list of items controlled for export—so-called positive list—in August 1948 because of rapidly expanding domestic demand and a relatively high level of exports. The quotas which have been established for aluminum will result in a sharp decrease in the rate of exports during this year. Quotas for other nonferrous metals are also being reduced.

The United States has become increasingly dependent on foreign sources to meet a large portion of its nonferrous metal requirements. The high level of consumption during the war and in the postwar period has increased this dependence. In recognition of our reliance on imports for these basic metals, the Department of Commerce has made special efforts to stimulate foreign production and increase the volume of shipments to the United States.

Some special operations and activities in foreign countries are directly or indirectly of such high importance to the United States that they receive special attention in the licensing of scarce materials. In many of these cases, supplies obtained from the United States are used for production of strategic, critical, and essential materials for export to this country, or to other countries which would otherwise require such materials from the United States. In others, such as the maintenance of certain railway systems or power-generating plants, the purpose is to provide at least a minimum degree of support to the basic utilities and facilities of countries chiefly or entirely dependent upon us for needed supplies. In still others we are supporting various construction programs essential to public health in the countries involved.

The issuance of a special project license for such operations and activities does not constitute a commitment to meet all of their requirements for controlled materials. What it does mean is that, in view of the special nature of the projects, applicants submit their requirements for all materials under export control on a single form. This eases the administrative burden on the operating companies as well as on the Government, and permits a unified review of these requirements by licensing officials.

Among the mining operations being supported at the present time are a Chilean copper mine, the largest in the world, virtually all the production of which moves to the United States; bauxite operations in Surinam and Trinidad, the entire output of which comes to the United States; and a chrome-ore concentrating plant in Turkey, the output of which is under contract to the Federal Bureau of Supply, the stock-pile purchasing agency of the United States Government.

Much of the copper, lead, and zinc reaching this country from abroad is produced in mines which depend upon the United States for most or all of their material requirements. Tin production in Bolivia, which accounts for about one-third of our total imports, is also sup-

ported by materials received under project licenses. Other important metals, produced for shipment to the United States in approved projects abroad, include vanadium, cadmium, tantalum, tungsten, silver, fluorspar, chrome, high-grade iron ore, and bauxite. United States requirements for these metals, both to meet domestic demands and to add to our strategic stock pile, are at record levels. Imports furnish approximately one-third of our primary supplies of copper, lead, and zinc, and 100 percent of our primary tin supply.

In the case of bauxite, imports account for about 60 percent of United States supply. There are two large bauxite production operations in Surinam, and one in the Netherlands East Indies, which are being supported by the United States. The Federal Bureau of Supply has placed orders with these three projects calling for delivery of large quantities for the bauxite stock pile.

As an auxiliary to the bauxite production in Surinam, a recently qualified project covers the installation of an ore transfer station at Trinidad. This project will permit adequate transfer of ore from shallow draft to seagoing vessels.

Another major project under way involves the mining, transportation, and loading of high-grade iron ore in Venezuela. This ore will have an iron content of about 65 percent compared to 51 percent for the ore now being shipped from the Mesabi-Great Lakes region of the United States. This project will require large quantities of steel products in the next three quarters. If these requirements can be met, it is expected that iron ore will begin moving to the United States from Venezuela by mid-1949 at the rate of 2,000,000 tons a year, representing a substantial increase in the United States supply.

Mr. WHITE of Idaho. Can the gentleman tell us how export controls and exports would have anything to do with imports of copper from Chile?

Mr. DEANE. As I understand the program, the advisory boards advising with the departmental organizations directing the program enter into conference to determine the extent to which it is necessary to control the export of critical materials in short supply.

Mr. WHITE of Idaho. The gentleman is speaking of imports of copper and other strategic metals from foreign countries, particularly South America. I cannot understand and I wish he would explain how export controls on exports from this country would have anything to do with the importation of these critical materials from those foreign countries.

Mr. DEANE. The gentleman is asking a good question and it is involved in this discussion. We are in the import business to the extent indicated because we simply do not have these critical materials. But I contend this legislation will protect the important stockpile of these critical materials which are necessary for our national defense program, and the bill should pass without amendments.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman and members of the Committee; I am sure that in the remarks made by the gentleman from Michigan, the former chairman of this committee, there are a number of items that certainly ought to be clarified before we go into the reading of the bill and the discussion of the amendments that he has suggested he may offer.

In regard to that phase, in carrying out the purposes of export controls, a number of criteria or standards have had to be established for the approval or disapproval of export applications. The problem varies completely with each important commodity. Experience has shown that there must be permitted certain administrative flexibility in determining the proper criteria to meet the changing supply and market conditions, as well as the current foreign policy and national security objectives. So it is not too easy to lay down a rule.

Experiences in carrying out the provisions of this act by the Department have led us to the point where, in asking for a continuation of this act, certain specific language should be inserted, not with the object of putting the clamps down, but to spell out a little more clearly so that everyone who is an applicant, everyone who is eligible to apply for an export license, may know more clearly just what the rules are and whether or not he is getting a fair deal under the provisions of the act. An illustration to this effect is the requirement in respect to some commodities, that the applicant present proof that the goods are available to him for shipment, if the license is granted. They should be in the nature of certain enforcement purposes, so that they may help to prevent trafficking in licenses, and speculation by license holders. That experience, the Department has had some dealings with. There have been charges and accusations made that the end-use provisions were not being carried out, as well as waste through failure to use all of the limited export quotas because a great many of these allocations were not being taken up. So it has been necessary, in presenting a continuation of this measure, to spell out and clarify, and to write into the act a new section, section 4, dealing with the enforcement provisions; dealing with the provisions of consultation and standards, so that the Department may have a basis or objective other than that which has been in the act at the present time. These matters are very pertinent to a successful operation of a control act of this character.

Another is in the distribution of export quotas among the eligible or qualified applicants. This problem arises when the total quantity of a commodity which can be spared for export is substantially less than the total of qualified applications therefor. Prorating limited export quotas equally among all applicants is not a practical or equitable solution to this problem. It would result in allotting to each applicant very small

amounts, which could not usually be shipped economically. It would also be manifestly unfair to establish firms with long records of supplying a major portion of the markets, to deny them export quotas. So it is necessary to carry out the language in that respect.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WHITE of Idaho. Is not that the very thing that creates a market and creates prices? If there is competition by these exporters, and one bids above the other, does that not make the price?

Mr. BUCHANAN. Of course, bidding in foreign exchange is different than that insofar as the domestic economy is concerned. I am speaking with reference to large-scale exports.

Mr. WHITE of Idaho. Does not the scheme that the gentleman has outlined operate as a price-fixing control?

Mr. BUCHANAN. In some instances it might get down to that particular point, where it will have some effect upon the price.

Mr. WHITE of Idaho. If we deny one applicant this license, naturally he is eliminated from the market, and his price does not establish the price of the goods.

Mr. BUCHANAN. Of course, as the gentleman understands, the quotas are set and applications are administered in an attempt to be fair and equitable to all concerned.

Mr. WHITE of Idaho. Is the gentleman cognizant of the press reports of the discriminations and frauds that have been practiced under the provisions of this act in the export business?

Mr. BUCHANAN. That is why we are asking for a spelling out of clarifying language as far as the enforcement provisions of the act are concerned. That is why there may be some objections and some amendments, because the administration is concerned to see to it that the provisions are carried out and the end use of the product reaches the destination which it was intended to.

(Mr. BUCHANAN asked and was granted permission to revise and extend his remarks.)

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. BUCHANAN. I yield.

Mr. CAVALCANTE. May I preface my inquiry by stating that I am in full accord with export control of materials in short supply. I am also in full accord with conferring the power on the President. With this in mind, I am concerned in knowing whether the materials that we are here trying to conserve may not be exported under the power which we some days ago conferred upon the President by the provisions of the so-called Reciprocal Trade Agreements Act?

Mr. BUCHANAN. I may answer the gentleman by saying that there is no direct relationship between the Reciprocal Trade Agreements Act and the Export Control Act. The reciprocal trade agreements are entered into on a bilateral basis. In the case of the enforcement of the Trade Agreements Act, if it concerns goods in scarce supply they would be reg-

ulated under the terms and provisions of the Export Control Act. Cognizance is taken of the existing scarce materials at the time these trade agreements are entered into. In this connection it is interesting to note that in the next 2 or 3 months hearings will be held in continuation of previously existing agreements; and of course at that time, at the time of those hearings, at the time of the consultations for further agreements, these items listed on which export controls are necessary will be taken into consideration.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SIMPSON of Pennsylvania. To the extent that export controls are used, is it not in direct opposition to the intent of the reciprocal trade agreements program which is principally to lessen the barriers to international trade?

Mr. BUCHANAN. No; I may say to the gentleman, it will augment, supplement, and carry through the successful negotiation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. PATMAN. The State Department approved the bill. It will not interfere with the reciprocal trade agreements in any way. We cleared everything through the State Department.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

Mr. GAMBLE. Mr. Chairman, we have no further requests for time on our side.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Export Control Act of 1949."

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all after the enacting clause and substitute in lieu thereof the following:

"Section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out 'February 28, 1949,' and inserting in lieu thereof 'February 28, 1950.'"

"(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by the act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark-ups in export prices over domestic prices."

Mr. WOLCOTT. Mr. Chairman, this is offered in substitution of the whole bill and, if adopted, will continue for 1 year export controls exactly as they are at the present time. It will also be noted that in the substitute provision is made for continuance of the authority to use price criteria in determining to whom these licenses should be granted.

Let me reiterate that this law has been in effect since 1940. An export-control program has been necessary and I believe it is desirable to continue export controls as they now exist for what might be considered a reasonable length of time. Probably a year is a reasonable length of time. I wish we might make that shorter because it is our intention, as expressed in a great many acts of Congress, to remove controls just as rapidly as they can be removed and with as little shock to the domestic economy as is possible. So it is advisable to continue export controls until the international situation adjusts itself and we have more stability in international markets than we have at the present time.

If the controls which are requested in the pending bill were necessary to the effective enforcement of the act, of course, someone during the last 7 years would have asked the Congress to expand the export-control powers, during these years. The war is over. It has been 3½ years now since cessation of hostilities. We have expended \$5,000,000,000 or will have expended \$5,000,000,000 to aid in the rehabilitation of western European countries. We have invested over \$2,800,000,000 in a stabilization program for Great Britain and we see a great many favorable results from the investment of those funds in world stability. So we should be thinking of terminating export controls instead of expanding them, the same as we have been thinking since cessation of hostilities that it is better to take these controls off if we are going to preserve the American free-enterprise system than to add to them and add to the uncertainty of the situation.

Already we are catching up with demand in many fields in the United States. We are told that in the leather industry, in the textile industry, in the radio industry, and in certain branches of agriculture we have virtually saturated the markets. Let me make this statement to provoke thought, that with our tremendous capacity to produce in America, were it not for our exports we could not long preserve the American standard of living.

So we must readjust our sights and think in terms of expanding markets for American goods abroad above the normal demand, and we should give encouragement to the production of American goods to meet foreign demands, and there should be no unusual restrictions upon domestic production. It is necessary to meet foreign demands, it is necessary to find new markets abroad for American goods if we are to maintain the American standard of living.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the House, the purpose of this amendment

in striking out all after the enacting clause is to destroy the careful work of the Committee on Banking and Currency in trying to rewrite an old wartime law which has been many, many times amended and changed during the course of years that it was on the books to deal with varied degrees of national emergency and circumstance.

I think the committee did a very good job in bringing out a rewrite of this bill to protect the security and the economy of the United States of America against danger of over exportation of scarce items. It provides a modern version of what is needed in an export control law in the light of postwar experience, based carefully on hearings by the Committee on Banking and Currency and on testimony before us by all interested parties who cared to appear.

The gentleman from Michigan, whose committee under his chairmanship reported a bill designed to effectuate largely the same purposes which this bill seeks to accomplish, does not like the product of this committee's work.

On that he is entitled to have his say, but I think it would be much fairer to the House, it would increase the understanding more of the House, if he would take the bill, as I am sure he intends to do when his amendment this time to strike all after the enacting clause is defeated, and then introduce his separate and individual amendment, to change the specific and individual portions of this bill which he has objection to.

I think the House can vote much clearer upon these specific individual objections of the gentleman from Michigan than we can in taking a wrapped-up package containing six or eight important changes.

I tried to follow during the course of his argument here under general debate the extent of his amendments but I am not certain, even with the experience of the hearings that I have had, that I clearly understand them all.

So, in the interest of good legislative procedure, in the interest of the House being well informed, I think we should vote down this catch-all amendment to strike everything after the enacting clause. We want to enact a bill with due regard to whether it contains the necessary improvements that are dictated by the light of experience and trial and error that I believe this bill provides.

I do not think anyone can question the value that export controls, properly operated and properly handled in an administrative way, have to the security, and to the economy of the United States.

One of the greatest problems we had when we had the Marshall plan before us was the fear largely by many members of the gentleman's own party that we would ruin this Nation's economy because of unregulated exportation of goods in short supply.

Constantly I have heard on the floor of this House the fears that we will export to Russia or to Communist-dominated countries matériel which would be helpful to them in making war against the democracy of this Nation.

Members of the House, the sole purpose of this bill is to protect the security and economy of the United States of America. It seeks to help make the Marshall plan work in the recovery of Europe without devastating our own economy by exporting materials in short supply. We cannot afford to turn to a haphazard system where the highest bidder can withdraw from our American market goods in extremely scarce supply and remain on an even economic keel.

So until we get greater production and a greater abundance of those scarce materials—and this bill applies only to materials in scarce supply—I think you will need adequate export controls.

I think it would be a shame indeed to waste the time of the great Committee on Banking and Currency and the time of the men who have handled this export control so satisfactorily that there were no witnesses appearing before the committee to challenge their work.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. SIMPSON of Pennsylvania. Does the gentleman state that this bill can apply only to materials in short supply?

Mr. MONRONEY. It certainly does apply to materials only in short supply or to a war-making end use.

Mr. SIMPSON of Pennsylvania. Does the gentleman state that if we have a long supply of any given product in this country the administration cannot impose an export control thereon?

Mr. MONRONEY. It cannot under the terms of this bill. If the gentleman will read the bill, he will find that it is properly guarded in the terms of this bill. No amount of seeing ghosts under the bed, no amount of casting suspicion, can remove the fact that this bill is designed to apply only to items in scarce supply or those which might be useful for war purposes in Communist-dominated countries.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill does give the administration the power, based upon the findings of the President, to impose export quotas not alone upon materials which are necessary to our national defense, not alone upon materials in which we are in short supply, but upon any other exportable commodities or products of our industries, regardless of their nonstrategic importance, and even though in great oversupply.

I have read the bill, and certainly do not accord with the interpretation of the distinguished gentleman from Oklahoma. I find nothing in the bill which puts a limitation upon the findings of the President. Any findings he makes would justify within the terms of this bill export quotas upon any product of our industry.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. WOLCOTT. The gentleman is absolutely correct. There is nothing in the bill which limits the control of exports to goods in short supply. The gentleman from Iowa in committee offered

an amendment to the bill restricting the operation of these controls in cases where goods are in surplus. I think probably the gentleman from Oklahoma is confusing the debate on that amendment with the general provisions of this bill, because at no time since 1940 have there been any restrictions whatsoever upon the commodities upon which the President could levy export controls.

Mr. SIMPSON of Pennsylvania. I thank the gentleman. Certainly, it seems to me that in this day of our expanding production at home we should not, 3½ years after the close of the war, grant new and greater powers to the Executive, to control our industries' sales.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Iowa.

Mr. TALLE. If the law had been administered in such a manner as to prevent the piling up of surpluses of exportable goods in this country, I would not have gone to the trouble of preparing a speech on that very point. The law has not been so administered. That was the burden of my message in general debate, and that is why I stated I would offer an amendment which is identical with an amendment enacted in the Senate. The House bill and the Senate bill are identical, except that the latter contains an amendment which I stated at the outset of general debate I would offer, so that agricultural products including fats and oils, might get proper consideration.

Mr. SIMPSON of Pennsylvania. The gentleman's answer is indeed complete. We do have an exportable surplus of fats and oils, yet the quota is applied today, thereby contradicting the gentleman from Oklahoma's interpretation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. PATMAN. Although fats and oils are taken off the positive list, they remain on the R list, that is, they cannot be exported to Russia or any of her satellite countries without a permit under this law. That is correct, is it not?

Mr. SIMPSON of Pennsylvania. It is. For strategic and military reasons. Last week we saw fit to endorse the activities of our State Department and our Government under the so-called reciprocal-trade-agreements policy with respect to international trade. The principal purpose of that bill, as it has been described to us repeatedly in years past, has been to break down the barriers to trade that exist between the many nations of the world.

After these 14 or 15 years of so-called progress under the reciprocal-trade-agreements program we find ourselves today in a situation where among all the nations of the world there are more restrictions by way of quotas and all kinds of artificial procedures to limit the free interchange of trade. We have more restrictions today than we ever had when the old tariff laws were in effect.

Now the United States Government, which has been the leader of reciprocity in foreign trade, at a time when the war

is over, seeks to impose a new barrier against free trade. We find ourselves passing a law today which gives our Government the power to stop the export of any and all products of our industries to any and all nations of the world. Gentlemen, that is not consistent with what we did last week.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SIMPSON] has expired.

Mr. SADOWSKI. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it has been stated by the gentleman from Texas that edible oils are now on the R list. The restrictions have been taken off as far as the positive list is concerned. That means that edible oils may be sent to the so-called satellite countries, providing certain conditions are met. Just how does that work? Let us see what happens. Last summer Poland was short of cotton. The Polish mills at Lodz were standing idle for 6 weeks. They could not get American cotton. They had to shop all over the world to get some cotton. We had cotton in great supply. The Polish Nation finally obtained American cotton from England. How? By paying 30 percent more than they should have paid if they could have purchased it directly from us and as they should have been able to purchase that cotton directly, since the cotton was used to make overalls and make clothing for children and the people generally. Oil is going to be placed on the same list. Sure, they will be able to buy it. They will need oil, say, in Czechoslovakia, Poland and Yugoslavia. They are behind the iron curtain. They are satellite countries. These products are on the R list, but before you can get an export license here to get even those things that are in short supply and which are not commodities that would be used in war, those restrictions are so great that it is impossible for you to get them in the normal and natural course of business.

So those countries will just have to go to our European brokers, England, Italy, and Belgium. They will have to go to these European countries. They will have to go to our brokers to buy these commodities. What a silly situation for America to be in. It is repugnant to me to see our business being carried on on that sort of basis. I voted for these controls and supported them all the way through during the war. I thought they were necessary. But now the war is over. Sometime we are going to do business on a business basis. Sometime we are going to go out in the world to recapture our own markets and we are not going to be dependent upon England or any other country to say, "You cannot do business with this or that country directly, but I will act as your broker."

I have a great suspicion that somebody is making a lot of money when you have an overage of 30 percent commission that is being paid by these countries in eastern Europe, to buy our goods. Someone is making an awful lot of profit and I think it is an illegitimate profit. I think that business could be carried on directly between the United States and the other

countries of Europe which need these commodities.

Let me mention the matter of streptomycin, which is used in the cure of tuberculosis. There is a terrible amount of tuberculosis in Poland which was caused by the war. Poland has seven times as much tuberculosis as they normally have or seven times as great as we have in this country. They need that medicine. I was amazed to find that you must get a permit to ship streptomycin to the people in Poland in order to help them combat the dread disease of tuberculosis.

Some of these restrictions are cruel and inhuman. It is all right to have controls in wartime. It is all right to have controls to protect the national security, but to have such silly controls as we are now permitting the Department to use does not make any sense.

I now yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. The gentleman would not think of sending munitions of war to Russia?

Mr. SADOWSKI. No.

Mr. PATMAN. Cotton is used to make gunpowder. Gunpowder is used in war.

Mr. SADOWSKI. They wanted this cotton to make overalls and to make clothes for the people of Poland to wear. Their textile mills were closed for 6 weeks.

Mr. PATMAN. But they could make gunpowder out of it.

Mr. SADOWSKI. Well, they did get the cotton. They got it from South America, from Argentina, and from Mexico, and they did not make gunpowder with it. I was told that they will keep on buying cotton there, and we can keep on selling our cotton to England and a few ECA countries in the future. That is not good business for the United States and we cannot do business forever on taxpayers' dollars, with ECA countries only. We should be able to sell our cotton wherever we want to, without using Great Britain as our broker, or any other foreign country.

Mr. COLE of Kansas. Will the gentleman yield?

Mr. SADOWSKI. I yield.

Mr. COLE of Kansas. Is not the gentleman pointing out the very difficulties that are attendant on peacetime economy controls?

Mr. SADOWSKI. Yes. I say we should have controls for the national security, but controls over normal business to be used for the purpose of giving an advantage to foreign brokers and speculators as a result of those controls is un-American. We are subsidizing international thievery and bringing discredit to American business.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. SADOWSKI] has expired.

Mr. HALE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I can well understand the necessity for some export controls at the present time, but it does seem to me that this bill should give us some concern.

I must say I am not altogether clear as to why a bill of this kind emanates

from the Committee on Banking and Currency, because it relates primarily to exports. Certainly, I should think that the Committee on Interstate and Foreign Commerce might have something to say about legislation of this kind. I refer to rule XI (k), which gives that committee jurisdiction over foreign commerce generally and over bills relating to the Department of Commerce. The only justification for the reference of this bill appears to be the error in the reference of preceding bills.

Last year the Committee on Interstate and Foreign Commerce did hold some hearings on the actual operation of export control legislation. I can assure you that no more interesting hearings were held before that committee or more revealing, or I might say more disturbing. It seems to me quite apparent that export controls can be very arbitrarily and tyrannically employed in two ways. First, internally, with respect to individual American exporting corporations, or corporations that would like to export: It is possible for a governmental agent, the Secretary of Commerce, to play favorites in all kinds of most subtle ways, and to do great mischief without any relief being afforded to the injured parties.

It is also perfectly possible to employ export controls to nations which are singularly dependent upon our economy, in such a way as to coerce them to do this, that, or the other thing, even in the General Assembly of the United Nations. I have even heard whispers of something of that sort having occurred.

When you get to such very broad powers as are found in section 6 of this act and section 7, which I do not understand—I do not understand why the provisions of the Administrative Procedure Act should be excepted from this bill—I am very troubled. I would not vote for a bill which had in it any such sections as 6 and 7.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. ELLSWORTH. The gentleman touched upon the subject I was going to mention in asking the gentleman to yield; that is, the provision in this bill which calls for the exemption from these controls of the provisions of the Administrative Procedure Act. With that paragraph in this bill it seems to me that we have done nothing more than give practically an unlimited blanket authority for the control of exports. But if the provisions of the Administrative Procedure Act, as was so clearly brought out in the hearings before the Committee on Interstate and Foreign Commerce, if those provisions were followed, if the Administrative Procedure Act were followed, then many of the objections that we find to the pending bill might be removed. The paragraph exempting a perfectly good law passed in 1946 completely removes the restrictions from the administration of this particular act.

Mr. HALE. I think the gentleman is entirely correct.

I was quite amazed by the statement earlier this afternoon of the gentleman from Texas [Mr. PATMAN] that he had

heard no criticism of the actual operation of the present law. I should be very glad indeed to show him a copy of the hearings last spring before the Committee on Interstate and Foreign Commerce.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HALE. I am glad to yield to the gentleman from Texas.

Mr. PATMAN. Section 6 relates to enforcement. I cannot understand why the gentleman would be opposed to the effective enforcement of the law. This provision deals with black marketeers. If you want a good law and want to abolish the black market and punish the black marketeers, the only way to do it is through the provisions of section 6, according to my mind.

Mr. HALE. If the gentleman thinks that the powers contained in the last sentence of section 6 (a), in subsection (b), and subsection (c) are normal and salutary powers, I just cannot follow him in any degree. On the contrary, they are sections which confer arbitrary and oppressive power on any department, agency, or official exercising functions under the act.

The CHAIRMAN. The time of the gentleman from Maine has expired.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 73, noes 98.

So the amendment was rejected.

The Clerk read as follows:

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and fulfill its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

With the following committee amendment:

Page 2, line 9, strike out the word "fulfill" and insert in lieu thereof "to aid in fulfilling."

The committee amendment was agreed to.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say a word in reference to the shortage of nitrogenous fertilizers in the southwestern part of the United States. I dare say there is not a Representative from any rural area who does not have similar problems to what confront us in the southwestern part of this country.

Mr. Chairman, during the course of the early winter, I received many appeals from farmers for help in obtaining the customary allocations of nitrogen fertilizers needed on the farm. These appeals came from many sources, but I can recall that one appeal came from the Department of Agriculture's Production and Marketing Administration commit-

tee. This appeal is so strongly worded that I am setting it forth in detail at this point in my remarks:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Shreveport, La., December 21, 1948.

The Caddo Parish Agricultural Conservation Association Committee at a meeting on December 12, 1948, made the following resolution:

"Whereas the shortage of nitrogen fertilizer in this area is more acute than at any time in the history of this part of the country;

"Whereas in cooperation with Congressman OVERTON BROOKS we have canvassed the distributors and fertilizer manufacturers in this area with reference to the nitrogen fertilizer available: Therefore be it

"Resolved by the Agricultural Conservation Association Committee of Caddo Parish, La., That we ask both public and private manufacturers of fertilizer to increase the supply of nitrogen fertilizer to at least the extent of giving the farmers in this area the supply normally available for crop production and that this fertilizer be made available immediately or in ample time for the spring crop, work on which has already begun."

BEN J. HAYGOOD, Jr.,
County Committeeman.
J. C. WILLIAMS,
County Committeeman.
NORMAN D. STEWART,
County Committeeman.
R. L. DURHAM,
Caddo Parish Administrative Officer.

Some time following this, I received a strong letter from the Caddo Parish police jury signed by T. D. Connell, Jr., making a similar appeal.

With these appeals before me, I immediately took this matter up with the Secretary of Agriculture, asking him for this study of the problem and his assistance. In due course, I received from the Under Secretary of Agriculture, the Honorable A. J. Loveland, a courteous reply. I reproduce this letter herein:

FEBRUARY 3, 1949.

HON OVERTON BROOKS,
House of Representatives.

DEAR MR. BROOKS: This is in reply to your letter of January 28, enclosing a letter from Mr. T. D. Connell, Jr., of Shreveport, La., and a resolution from farmers in Caddo Parish pertaining to supplies of ammonium nitrate in northern Louisiana. We also have your second letter of the same date enclosing a telegram from Lion Oil Co. on the subject.

With respect to steps which might be taken to divert supplies to the area in question, there are no governmental control or directive powers applicable to the domestic distribution of nitrogen fertilizers produced at private commercial plants. Proprietors of these plants have the responsibility for choice of market areas they serve, selection of trade channels, and quantities supplied to their customers.

Under the provisions of Public Law 793, a limited tonnage of anhydrous ammonia produced at plants operated by the Army is being distributed by the Department of Commerce to eligible producers of nitrogen materials for conversion to nitrogenous fertilizers suitable for direct application. This arrangement was effected with a view toward increasing the 1948-49 domestic supply of nitrogen for farmers.

The enclosed press release of the Department of Commerce gives details of this program for the first 3 months of 1949. Among the nitrogen producers participating in the

current distribution of the Army ammonia are the Lion Oil Co. at El Dorado, Ark., Commercial Solvents Corp. at Sterlington, La., and Mathieson Chemical Corp. at Lake Charles, La.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

In due course, I received a telegram from the Lion Oil Co., by N. H. Eason, and I set forth this telegram in detail herein:

ELDORADO, ARK., January 25, 1949.

HON. OVERTON BROOKS,

Member of Congress:

Retel our production ammonium nitrate fertilizer 1948-49 curtailed approximately 15 percent under last year and approximately 30 percent under 1946-47. Supplies this material insufficient to satisfy demands throughout the southeastern and southwestern territories. We are making allotments to our customers as fairly and equitably as we know how, considering our reduced production. We regret exceedingly our inability to adequately supply your good constituents.

LION OIL CO.,
N. H. EASON.

It is obvious that this company, which normally supplies north Louisiana with much of its nitrogen fertilizer, is not producing the normal amount of ammonium nitrate. According to the telegram, the amount produced is 15 percent under last year and 30 percent under production of 1946-47. I have made similar appeals for more fertilizer for our farmers to the Phillips Fertilizer Co., of Bartlesville, Okla., and to the Spencer Fertilizer Co. The Spencer Co. has apparently withdrawn from serving its normal area in north Louisiana due to the fact that it cannot adequately take care of its customers closer home and my appeal to the Phillips Fertilizer Co. has produced no results.

While I am continuing to work upon this matter, the spring-planting season moves rapidly to an early close. Soon most of the planting will have been completed and the size and type of farm production will have been seriously affected by the failure of an adequate supply of ammonium nitrate fertilizer. I am not unmindful that this country is very short of fertilizers. I, in fact, am informed that the world is short of plant food. I know the problem of the Secretary of Agriculture is not an easy one in this emergency, and I feel that private manufacturers are producing to the limit. But the fact is, Mr. Chairman, a serious shortage exists. In north Louisiana, it is much worse than it was last year.

This bill will soon pass this House and will go to the Senate on its way to become the law of the land. It will give our Government power to control exports of nitrates and thereby make them available for our own people. In this event, the Department of Agriculture and Department of Commerce will have power to help, and I hope will lose no time in helping our farmers solve one of their greatest present problems.

Mr. Chairman, as far as nitrogen fertilizer in the southwest farm country is concerned our farmers are on starvation rations. They need assistance. If this legislation will help prevent the export

of fertilizer to foreign countries at a time when we need it so desperately, it could really help our farmers in the southwestern part of the United States.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, I concur in what the gentleman has said with reference to the shortage of nitrogenous fertilizer, not only in the southwest but throughout the country. The gentleman has referred to the production of nitrogen fertilizer in my own district, in my own home town, as a matter of fact, by the Lion Chemical Co., and indicated that the production of nitrogen has been reduced during the present year by 15 to 30 percent; but he failed to say that the reason for this reduction in production this year is because there is an expansion program going on at this plant; consequently it is necessary to curtail production until this expansion program is completed. At the end of this year, perhaps in September, this expansion program will be completed and it will then increase production of nitrogen fertilizer by some 35 percent at this plant.

Mr. BROOKS. The gentleman has made a very valuable contribution. I might add, too, that the Lion Oil Co. is doing whatever it can to relieve this situation. As the gentleman has indicated one of the plants of the Lion Oil Co. situated in his district is undergoing extensive repairs and is closed down temporarily.

Mr. HARRIS. Not necessary repairs; it is an expansion program adding to the production of the plant.

Mr. BROOKS. I will accept the suggestion of the gentleman. It also operates a plant in my particular district which is working to capacity, and I think the Lion Co. is doing what it can to relieve the situation. The fact is, however, during this planting season the shortage in ammonium nitrate is most acute.

I have a letter here from the Phillips Chemical Co., of Bartlesville, Okla., in which it indicates it is able to do nothing to relieve this situation either.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The Clerk read as follows:

AUTHORITY

Sec. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to the financing, carriage, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

With the following committee amendment:

Page 2, line 21, strike out "carriage" and insert "transporting."

Mr. WOLCOTT. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. Wolcott: Page 2, line 19, after the word "prescribe", strike out the remainder of lines 19, 20, 21, 22, and 23.

The CHAIRMAN. The Chair believes that that is not a proper substitute for the committee amendment. The gentleman may offer that amendment separately.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Brown of Georgia: Page 3, after line 2, insert the following new subsection:

"(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof."

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. Brown].

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Kentucky.

Mr. SPENCE. The committee will accept that amendment.

Mr. TALLE. Will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. TALLE. I followed the reading of the gentleman's amendment as closely as I could when the Clerk read it, and I find that it is identical with the amendment which I proposed in connection with my remarks in general debate and which I stated I would introduce at the proper time. It appears to me, therefore, that there is unanimous agreement and that the Brown-Talle amendment should be agreed to.

Mr. BROWN of Georgia. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. HOEVEN. Do I understand that the committee has accepted the gentleman's amendment?

Mr. BROWN of Georgia. Yes, the amendment I offered. The gentleman from Iowa [Mr. TALLE] stated he expected to offer the same amendment. The gentleman from Iowa [Mr. TALLE] and I fully agree on the amendment.

Mr. HOEVEN. It is the same amendment that was proposed by the gentleman from Iowa [Mr. TALLE].

Mr. BROWN of Georgia. The same amendment as adopted by the Senate.

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I am pleased to learn that the Committee on Banking and Currency has agreed to accept the amendment just proposed by the gentleman from Georgia [Mr. Brown]. It is the same amendment heretofore referred to in general debate, which the gentleman from Iowa [Mr. Talle] was ready to present. No doubt the Banking and Currency Committee agreed to accept the amendment for fear that a failure to do so might jeopardize the passage of the bill.

The Committee on Agriculture, of which the gentleman from Iowa now addressing you is a member, did much to help create the favorable sentiment for the amendment in question. Taking immediate notice of the critical oil and fats situation some weeks ago, the Committee on Agriculture conferred with representatives of the Department of Agriculture, Department of Commerce, the office of Mr. Paul Hoffman, Director of ECA, and the chairman of the Inter-Agency Committee on Fats and Oils. The net result of these conferences was a resolution unanimously adopted by the Committee on Agriculture on February 8, 1949, requesting the Secretary of Commerce to immediately remove all requirements for individual licenses for exportation of edible fats and oils to any approved foreign destination. A few days later the Secretary of Commerce announced that all export controls had been removed on edible fats and oils. I think Members of Congress should know of the important part taken by the Committee on Agriculture in bringing this matter to a successful conclusion.

The farmers of Iowa have been very much concerned over the decline of lard prices, which, of course, reflects on the price of live hogs. The reason for this decline in the price of lard is the supply. The supplies of lard in cold storage on January 1, 1949, were 112,000,000 pounds as compared with a 5-year average of 105,000,000 pounds on that date. Revised Department of Agriculture estimates indicate that we will produce 683,000,000 pounds for this current quarter. Lard is a cheap source of food and is one of the best commodities the Europeans could purchase since they have a great need for animal fats. The farmers of Iowa and the country will be pleased to learn that the critical situation as it involves fats and oils has been somewhat alleviated by the action of the committee taken today in accepting the Brown-Talle amendment to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. Brown].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 2, line 19, after "prescribe," strike out the remainder of line 19 and all of lines 20, 21, 22, and 23.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the spelling of the word "prescribe" in line 19 be corrected.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, this amendment was discussed in the general debate. Attention was called to the fact that this language gives the administrators of the act some very new and unusual powers, powers that they have not had since the inception of the authority to control exports was granted to the administration in 1940.

For example, they have never had the authority heretofore to regulate the financing of exports or the transporting of exports or the servicing of exports. Understand that this authority is so broad that the participation in the financing, participation in the transporting, and participation in the servicing of exports may be controlled. I do not think as a matter of sound policy and in keeping with the American system we should at this time, any more than we did back in 1940, grant this unusual power. Servicing of exports? Servicing of financing of exports? Servicing of the transporting of exports? Very new, very far-reaching powers.

Are not you gentlemen on the Committee on Interstate and Foreign Commerce interested in the power which is being granted to this administration to service the transporting of exports carried on the railroads, the motor trucks, and in the air? I think you should be.

I think this amendment goes right to the heart of the American system. Surely if these controls were not found necessary during the war, during the preparedness period before the war, and during the 3½ years of the postwar adjustment period, they cannot by any stretch of the imagination be justified at this particular time. Herein lies the core of the argument, that we decide today whether we carry through with the American system, whether we perpetuate the system which has made America as great as it is, or whether we delegate again to the Administration, not in war but in peace, new and unusual powers such as the Chief Executive was not given even in a time of raging war. Powers by which he can control our economy. Why do you want this power? Is it to satisfy a lust, or is it necessary? Well, that question is easily answered. Surely it is not necessary or the administration would have asked for it in the 7 years during which this law has been in effect.

The gentleman from Oklahoma was just a little bit wrong when he said that this law has been amended and re-amended, and so forth. This law has not been amended except once since 1940 and that was to add the provision that price criteria might be taken into consideration in the granting of export licenses. These powers are new and unusual and go to the heart of the question as to whether the American system is going to be perpetuated.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think the ranking minority member of the Committee on Banking and Currency was serious when he intimated that the majority members of the committee are lustful or seeking power or attempting to vest power where it ought not to be. The purpose of this amendment, like that which was rejected a few moments ago, is to reject export controls. If you adopt this amendment you might just as well forget about the bill. The present bill is a codification of all of the provisions now existing in various sections of the law applying to export controls. Instead of amending the various bills, we have simply taken, with but one exception, all of that and put it into one law, which you now have before you.

The policy is very plainly stated in section 2 and the authority in section 3 says in so many words "to effectuate the purposes" as set forth in section 2, which says "the President may prohibit, and curtail the exportation" of goods.

Then you come to these important words "to the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to financing, transporting, and other servicing of exports."

If you are not going to have the power to make rules and regulations so that you can enforce this act, then let us not pass it. If we are going to pass it, and I think we are, then we must have rules and regulations which will apply to every phase of exports.

In the hearings before both Houses it was brought out that the purpose of these rules and regulations will be limited to the enforcement of this act and the policy of the act is "to protect the domestic economy," "to further the foreign policy of the country," and, more important, "to exercise the necessary vigilance over exports from the standpoint of their significance to national security."

When Mr. Bell, Acting Director of the Office of International Trade, was before our committee, he was asked this question:

Do you not think it might be sufficient at this time to extend these controls, limiting them to security purposes?

Mr. Bell responded:

In our judgment we could not. There are many items in such short supply that we could not do so. In fact, the trend right here in Congress is to insist that we have been too liberal in the shipment of many items, such as steel, and so forth. The complaint has been that we have been too liberal on allocations, and that some things should be on the positive list that are not on the positive list, and there is equal pressure from domestic interests, particularly, to add things to the positive list.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. PATMAN. Is it not a fact that if this language is stricken, it will encourage the black market and encourage black marketeers?

Mr. MULTER. Yes, not only will it do that, but it will make the enforcement

of the act utterly impossible. If you cannot call upon the banks to give you information as to how these exports are being financed and as to whether or not the declarations on which they are borrowing money to make the shipment are in accordance with the license, how can you enforce the act? The same with transport and the same with servicing of the exports.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. HAYS of Arkansas. The gentleman will recall that a specific instance was given to our committee, in which an export license was given for the exporting of empty bottles, and because they were unable to get the letters of credit and find out what the true transaction was, valuable material that was not proper to export was contained in the empty bottles. That is one illustration of how this new provision will be effective in carrying out the purposes of the act.

Mr. MULTER. I thank the gentleman for that valuable contribution. That is typical of why we need regulations that will apply to the financing, transporting, and servicing of these export items. The Department must be able to get all of the information relative to these transactions.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. COLE of Kansas. With reference to the word "financing," of course we realize that rules and regulations are necessary but it says, "to the financing of exports." Does not the gentleman believe that is a little broad?

Mr. MULTER. It is not broad if you read together with it the beginning of the sentence, which is, "To the extent necessary to achieve effective enforcement of this act the rule may apply to financing."

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has expired.

The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 66, noes 89.

So the amendment was rejected.

The Clerk read as follows:

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department or agency making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there

may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency to carry out the policies of this act.

With the following committee amendment:

Page 3, line 7, strike out the word "or" after the word "department" and after the word "agency" insert "or official."

The committee amendment was agreed to.

Committee amendment: Page 3, line 20, after the word "agency" insert "or official."

The committee amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 3, line 17, after the word "end", strike out the remainder of line 17 and all of lines 18, 19, 20, and 21.

Mr. WOLCOTT. Mr. Chairman, this amendment would strike out the language on page 3, line 17, which reads as follows:

In addition there may be applied such other standards or criteria as may be deemed necessary by the head of any department, or agency, or official, to carry out the policies of this act.

I know how useless it is for me to stand up and argue under this situation, but what we are doing here today might create such uncertainty as to add to the economic dilemma in which we might find ourselves shortly. This Congress can bring on a depression; this Congress, by the creation and maintenance of uncertainty in respect to policy, can discourage the production of goods. You on the left have the responsibility. Historically, this language has been controversial since the act was first passed; historically, you have kept it out, and we helped you keep it out. By the offering of this amendment those of us on this side are merely being consistent with what this Congress has been doing under your leadership for 5 years and under Republican leadership for 2 years since 1940. Now, are you going to reverse your policy of 7 years?

Why do you ask for this power? May I propound that inquiry again? To what use are you going to put this new power? What standards are you going to set up for exports? You never asked for this authority before; what criteria are you going to say should be applied to the export of goods? What standards are you setting up in respect to the standards which the head of a department, or an agency, or an official must set up in his regulations before an export license may be granted? What standards are you setting up for the criteria which must be applied to the granting of export controls?

You have the votes. What is happening here today is almost nostalgic. From 1935 on I have been standing up here getting hoarse, pounding my head against the stone wall now for 13 years to restore to the American people the rights which are constitutionally theirs, and to pre-

vent legislation which would deny them the freedom for which millions of young Americans have fought, and bled, and died. I am willing to carry on the fight. From the day when you tried to get control of the lifeblood of the American economy in the so-called Banking Act of 1935, we have been fighting and fighting and fighting against the socializing of any segment of American industry; and, as far as I am concerned, the fight has just begun.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, our admiration on this side for the gentleman from Michigan is so great that no member of the committee enjoys taking issue with him, but his amendment would do great damage to the bill. I think the thing he has in mind is to knock out price criteria.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Michigan.

Mr. WOLCOTT. No, I do not, because I have left that in my motion. It is in my motion to substitute.

Mr. HAYS of Arkansas. That is, everything but price criteria?

Mr. WOLCOTT. I have adopted all of those except price criteria and continue existing law.

Mr. HAYS of Arkansas. I am glad to have that clarification, of course, but the gentleman will recall that in the debate last year it was made very clear that price criteria is a proper element to be considered along with other considerations. The thing I want to point out is that to adopt the language proposed by the gentleman from Michigan is to also knock out other criteria, such as the end use of the exportable commodity, the country of destination, and matters of that kind. These two criteria are just as important as price, therefore it would be fatal in many respects for his language to be adopted.

The fact of the matter is that we continue in an emergency. The gentleman from Michigan speaks as if we are adopting a permanent policy of export controls. It is sometimes said on the floor in opposition to such controls that in peacetime controls such as this should not be exerted; in other words, drawing a sharp line between war and peace, when, actually, it is not a matter of war and peace so much as a question of normalcy and emergency. Sometimes in a peace period there are emergencies which require just as drastic controls as in a war period and it is because we are determined to protect this Nation's safety that we are willing to adopt controls of this kind.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I concur in what my distinguished colleague from Arkansas has said. Further, may I point out

that this same paragraph that the gentleman from Michigan is seeking to amend provides for representative trade consultation.

In considering exports and the licensing of scarce materials you find many varying degrees and problems in each different line. If we were to limit the bill as his amendment would do only to those criteria which are spelled out definitely in the bill, then we would absolutely vacate and have for no purpose these trade consultations for which the bill provides.

Industrial help and suggestions in the proper methods and procedures for allocation of export licenses will help to prevent disastrous effects on varying lines of trade. The amendment would seriously limit any effective use of other proper criteria so suggested.

Mr. WOLCOTT. Can they do it now? Can they vitiate the criteria that the gentleman from Oklahoma speaks of now? Can they do it at this time? Of course, they can; therefore this language is not necessary unless they expect to expand it. Those are not standards they are talking about and to which the gentleman from Oklahoma referred. If anything, it is in the law now. They are using the law now in that respect and they can use it in that respect without this language.

Mr. MONRONEY. The gentleman overlooks the fact that this is an entirely rewritten law and we are trying to make it workable and make it say what we mean and provide for criteria such as these various trade organizations suggest.

Mr. HAYS of Arkansas. And the adoption of the gentleman's amendment would put a cloud over the exercise of those criteria.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Texas.

Mr. PATMAN. To demonstrate the necessity for the end-use provision that the gentleman mentioned, may I refer to cotton, which was referred to a while ago. It would be possible to export cotton for the purposes mentioned by the gentleman from Michigan [Mr. SADOWSKI], but unless you have the end-use provision there they could make gunpowder out of that cotton instead of using it for making overalls.

Mr. HAYS of Arkansas. A perfect illustration of the point that you need a combination of criteria at times. Cotton can be put to legitimate uses; it can also be used for the manufacture of things that conflict with our security policy.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. It says that there may be applied "such other standards"—in other words, any other standard. That is what we object to. Why do we not limit it to the standards we are talking about; for instance, end use?

Mr. HAYS of Arkansas. For the reason that we must in the final analysis

leave the determination of specific export requests to an administrative agency. We must leave as broad discretion as possible.

Mr. COLE of Kansas. In other words, the gentleman wants to leave it as broad as possible, but we want to restrict it.

Mr. HAYS of Arkansas. We must have powers that are not too broad, but not too limited, as I fear the amendment of the gentleman from Michigan would give us.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SADOWSKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and members of the Committee, just to show how broad the powers are that the Department now possesses, I want to bring to your attention one little incident. I could mention many more, but I do want to bring this one out because it illustrates positively just how great are the powers of the controlling body now on commerce and trade. They not only control exports to the greatest extent but they also control imports to an unreasonable extent.

There was a firm in Michigan last year which had purchased some obsolete rifles in England. These rifles had been sold by the British Government to some private company in England. They were war surplus, in other words. They were rifles used in the First World War. Now, this firm developed the idea whereby they could use these old rifles, rebores them, and put another sight on them and make some other improvements on this old rifle, and it could be used as a hunting rifle, such as a deer rifle, for instance. It was a splendid idea. They applied for an import license. They located a bunch of these rifles and had made a contract, and the rifles were to be shipped here. All of a sudden the import license was canceled. The firm wrote to me and asked me to intercede and find out what happened to their import license. So I went down to the Department. They said, "Well, somebody in the War Department has told us that there may be some need for these rifles, and therefore we had to cancel this import license for this firm." Lo and behold, about 4 months later I got a half page ad out of a Detroit paper that was sent to me by this same firm advertising these same rifles as deer rifles, and who do you think had the rifles? Who got them? Sears, Roebuck & Co. Well, the Michigan firm was doggone sore. They had a right to be angry.

Now, some of these manipulations are not just right. These controls just have not been exercised properly. There are so many selfish people in the world, and we have a few of them in this country, who are using these controls to their own particular advantage in order to make a profit for themselves. There is always the suspicion that by making combinations with certain people in our Government they are able to obtain export and import licenses to do business and make money at the expense of other firms. This way of doing business is not the American way, and sooner or later we are going to cut out this foolishness, and we might as well start doing it right now.

It was all right to have controls during the war, when we needed it, but when we carry controls on through in peacetime and it affects legitimate business to a point where it becomes repugnant, I say it should be stopped.

I am a member of the Committee on Interstate and Foreign Commerce. I sat on that committee during long hearings last year, and we heard a great deal of testimony from business people all over the United States on exports and imports, and we have seen how these controls have worked. They have not worked right. Always came that question of somebody making a great deal of money at the expense of other people. The sooner we get rid of these controls the better off the business of the Nation will be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 62, noes 96.

So the amendment was rejected.

Mr. LARCADE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the purpose of clarification, I should like to inquire about the provisions of the amendment offered by the gentleman from Georgia [Mr. BROWN] with respect to rice. Rice is a commodity that was formerly controlled under the provisions of existing law. If I may, I will direct my interrogation to the gentleman from Georgia, a member of the committee, sponsor of the amendment, with respect to the question I had in mind. It is not clear just what this amendment that was adopted, sponsored by the gentleman from Georgia, does with respect to rice. I should like to confirm from the sponsor of the amendment, or from some member of the committee, that rice is included under the provisions of the Brown amendment, and therefore will be decontrolled.

Mr. BROWN of Georgia. Rice is an agricultural product. It will have the same status as other agricultural commodities. The amendment refers to agricultural commodities and includes fats and oils.

Mr. LARCADE. The gentleman takes the position that in addition to the authority given under the terms of the act for the decontrol of any commodity this specifically takes rice out of the bill, and rice is decontrolled?

Mr. BROWN of Georgia. I repeat that rice is treated like any other agricultural commodity under my amendment.

Mr. LARCADE. I am trying to get a definite statement from the gentleman.

Mr. BROWN of Georgia. I think that is a definite statement.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Arkansas.

Mr. HARRIS. There is an international agreement on rice, is there not? How would this affect, if at all, the international agreement?

Mr. BROWN of Georgia. The amendment is subject to subsections (b) and (c) of section 2 of the bill, but rice still is treated like any other agricultural commodity.

Mr. HARRIS. I agree with the gentleman in his interpretation. I think he is absolutely correct. But we should not overlook the fact that it is subject to the international agreement, in which the Department of Agriculture participated, and, of course, it has the authority to make this determination.

Mr. BROWN of Georgia. The amendment speaks for itself just as plainly as it can. It is subject to subsections (b) and (c) of section 2.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Louisiana.

Mr. WILLIS. Answering the inquiry of the gentleman, I call his attention to the language of the amendment, which, after the decontrolling language, provides "except to the extent required to effectuate the policy stated in clauses (b) and (c) of section 2." Those clauses have to do with foreign policy and national security. Therefore, whereas rice, which I understand to be in surplus, would be decontrolled, it would not be so far as national security and foreign policy are concerned. That is my understanding of the amendment. If the gentleman from Georgia disagrees, I should like him so to state.

Mr. LARCADE. I think this clears the matter up.

Mr. BROWN of Georgia. I think you have the same protection as the others, and I am sure you would not want any more.

Mr. LARCADE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. LARCADE] has expired.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to ask a question with respect to the provision of section 3 of this bill. I regret I was not able to be here during all of the debate, due to hearings of the Committee on Appropriations. But I would like to know the meaning of the language in section 3 with respect to the effectuation of policies which reads:

To the extent necessary to achieve effective enforcement of this act such rules, and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person.

For a number of years my attention has been called by people in the export field in my congressional district who have found difficulty in competition with exporters from foreign governments because of their inability to convert exchange in competition with such foreign governments because in the case of some governments they have accepted their exports by agreeing to convert into the currency or exchange of the exporter's country the currency of the country to which the exports are sent. A concern selling motors, for example, to the European Mediterranean area, for example, is to be paid in pounds sterling within the sterling area. That is all right for the British manufacturer selling motors in that area, but the motor manufacturer in America in my district has opportuni-

ties also to sell motors, but he finds he cannot sell in competition with the British manufacturer of motors due to the inability to make the conversion or exchange from pounds sterling into dollars.

In other cases it is found that the exporting country assists the exporter by converting and making good the trade accounts accepted by the exporter in doing business with foreign countries, thus giving a further advantage to the foreign exporter as against the American exporter. I wonder whether or not under the broad language contained in this authority a regulation could be issued by the President that would authorize the export-import bank, or some other department of Federal finance, to discount bills of lading to provide for the exchange of currency to provide dollars for the American exporter?

Mr. MULTER. Mr. Chairman, will the gentleman yield? I will try to answer his question.

Mr. KEEFE. I shall be very happy to yield. I am seeking information.

Mr. MULTER. I am certain that the rules and regulations that are intended to be promulgated under this section, and which will be promulgated under this section, will lead to the stopping of the kind of complaints that you and I and others have been getting, so that there can be no unfair advantage taken over our merchants because of exchange or by reason of any of the other manipulations that are presently resorted to by some unscrupulous exporters. It is necessary to have permission to make regulations with reference to financing and transporting and servicing only to enforce the act, so that if you call the banks and ask them to reveal to the department what is the story about their exchange, is it going to be against our own merchants, or is it a fair way of exporting these items? They cannot hide behind the foreign exchange, or they cannot send out a declaration which calls for one thing and ship something else.

Mr. KEEFE. I understand that, but that does not answer the question that I have in mind. For example, suppose a British exporter ships manufactured products to an importer in the Mediterranean area, which is a sterling area—

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE], has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for four additional minutes, in order to get an answer to this question.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. That British exporter is doing business with a concern in one of the Mediterranean areas. In certain countries—I do not know whether it is actually true in Britain or not, but in some countries the nation itself, in order to stimulate exports of its own citizens, will guarantee, under certain circumstances, to that exporter that he is going to be paid for the material that he ships; whereas the American exporter, who is going directly into that coun-

try, has to carry that account, and due to the operation of exchange problems his funds are actually tied up and he does not get payment for his goods. Payment being guaranteed by the government of the foreign country puts that exporter in that country in a very favorable competitive position. Now it has long been suggested that some agency of government should be set up that could provide dollars to the American exporter and assure him that he is in a competitive position with those foreign countries. I simply want to know, as a matter of information in order that I can intelligently appraise this section, whether it is possible to set up such an arrangement by Government action that would assist the American exporter in promoting his business.

Mr. MULTER. It is not the intent of this bill to regulate finances. This is merely to regulate the enforcement features of the Control Act; not to interfere in any way with the banking situation. That must be a matter of other legislation.

Mr. KEEFE. Then, I think the answer is clear, and I am asking this so that the discussion on the floor, in the interpretation of that clause may be made known, a more reading of the act itself without the explanation, would not seem to delimit it in the manner in which the gentleman has stated; but I gather from the statement of the gentleman from Michigan, in his opening statement, and on other statements which I have heard, that it is the pure intent and purpose of that language in the bill to enable inquiries into financing in order to carry out the enforcement provisions that are contained in the bill, and to enable the Government agency in charge to police the export trade. Is that right?

Mr. MULTER. The reports of the committees of both Houses so indicate. These are enforcement provisions.

Mr. KEEFE. I thank the gentleman. The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

The Clerk read as follows:

VIOLATIONS

SEC. 5. In case of the violation of any provision of this act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a

subpena issued to, any such person, the district court for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, or agency, exercising any functions under this act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

With the following committee amendments:

Page 4, line 19, after the word "court" insert "of the United States."

Page 5, line 7, strike out the word "or" and after "agency," insert "or official."

The committee amendments were agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 4, line 13, after the word "person" strike out the period and insert the words "applying for an export license."

Mr. WOLCOTT. Mr. Chairman, as presently worded, the language of section 6 (a) is altogether too broad and far-reaching. It reads:

To the extent necessary or appropriate to the enforcement of this act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person.

Any person! Any person!

I do not know of any law that has been enacted that is so far-reaching in respect to investigations, reports, and statements incident to its enforcement, there may have been, but I do not think so. I am merely going to propound the inquiry and let it go at that: Do you want to put every citizen of the United States in a position where notwithstanding the fact that he has not made application for an export license he may be subjected to the pains and penalties of this act? Are you going to give any department or agency the authority, on the pretense that it has something to do with exports, to go into any business house, any bank, or onto any farm, or into any factory, examine the premises, examine the records, without any more restraint than the finding on the part of the head that it might be necessary in the interests of enforcing the provisions of this act? It

is, of course, fundamental. If you were voting to protect and defend the constitutional rights of the American people against unreasonable searches and seizures; if you were not voting to deny them certain freedoms which in spirit at least are guaranteed by the American Constitution, you would never vote such language as that into any law. All I am asking you to do by this amendment is to at least restrict the language in the application to persons who are applying for an export license, which it seems to me is very, very reasonable.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, this language on page 4, line 13, at the end of the sentence, adding the words "applicant applying for an export license" would restrict the enforcement provisions of this act to the extent I do not believe it could be adequately enforced. In other words, it would prohibit the department enforcing this law from going to the banker and getting the information, because he is not the applicant; it would prohibit the department from going to the steamship company transporting the goods because the steamship company would not be an applicant; it would prohibit the department from going to any person and requiring any testimony except from the applicant himself. And then, of course, when the applicant was confronted with the enforcement authorities he would refuse to testify on the constitutional ground that it might incriminate him. There would, therefore, be no enforcement of any kind whatsoever. We either want a law with enforcement teeth in it, or we do not want any law at all.

Under the administration of this law we have a voluntary agreement now for enforcement. If this voluntary agreement continues a large part of this law will be unnecessary, but if it does not continue and if it breaks down, then this is the shotgun in the corner that will compel enforcement of the act. I submit the gentleman's amendment restricts the language to the extent where the law could not be enforced.

This section is vital. It is an enforcement provision. It is not in existing law. If the amendment is adopted this will cripple the whole bill and put it back to where the existing law is now, which is entirely too weak at the present time.

One of the greatest evils we have had in this country in recent years has been the black market—people who would buy goods and commodities at the fixed price, then go into the black market and sell them at a much higher price, sometimes several times as much. We will have the same kind of black market probably in this export business if it is not Government supervised and if we do not carefully protect against it in the law. I know that is not intended by the gentleman from Michigan because he does not want to help any black marketeer, but at the same time it will weaken the law to the extent that the black market will be aided and encouraged and will tend to break down entirely the enforcement of the act.

Mr. Chairman, I hope the amendment is defeated.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan. I am amazed in looking over the enforcement provisions of this bill to know how far they go. Of course, I can see a general pattern in what the administration wants to do. The administration that has been in power for some 20 years has been enlarging its activities and becoming larger and larger and getting more and more control over the freedoms of the American people. I say to you gentlemen on my right that when the Government becomes so large, larger year by year through the development of bureaus and governmental powers, then you and I and the folks back home will become smaller and smaller. This bill infringes on the rights and liberties of the American people. I question its constitutionality. It goes much further than any Congress adopted during the war.

We are giving entirely too much power to a Government agency, and I think it will amount to sending out a horde of bureaucrats and snoopers over the land to pry into the affairs of the American people. It is a mistake you are making in this bill to vote such wide powers to any agency of government. I do not think the gentleman from Michigan and the Republicans on the left side of the aisle are going to get very far. You are bumping your heads against a stone wall, because orders have apparently come down from on high to increase the powers of the Federal agencies.

In the Byrd report you read that the number of new Federal employees have increased 289 every day this last year. Why, 20 years ago when you came into power there were about 570,000 Federal employees. Today there are over 2,000,000. At that time it cost less than \$4,000,000,000 to run the Government of the United States, and today you are asking for a budget of about \$42,000,000,000. You had at that time about 350 Federal agencies. Today there are 1,833 Federal agencies, and growing all the time.

I am saying to you who are supporting this administration bill for a larger and bigger and stronger Federal Government, that it will take from you and those you represent many liberties and rights that should be theirs. My position is that the Federal Government should merely be an umpire, guaranteeing fair play. The rewards or failures should go to the individual. The Government is becoming too powerful, all too powerful at this time. Bills are coming to this Congress for a cradle to the grave security. Bills that give the Federal Government more and more power. I say to you my colleagues that the best government is that which is kept close to home and governs less. I say to you it is time to call a halt on big government, big business, and the authority of government to control the lives of all of us. If we do not we drift to a socialism in which the individual loses both freedom and security.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The question was taken; and on a division (demanded by Mr. Wolcott) there were—ayes 53, noes 93.

So the amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 4, line 23, after the comma following the word "both", strike out the balance of section 6 (a) and insert "after a hearing in which the judge of said district court determines that the books, records, and other writings are material and pertinent to such investigation, and any failure to obey such order of the court may be punished by such court as a contempt thereof."

Mr. ROGERS of Florida. Mr. Chairman, my amendment does only this: It provides that before a contempt order can be issued against any person upon the complaint of the party who is investigating the exports a hearing must be had. Let me give you my interpretation of the bill, and if I am wrong I ask the gentleman from Texas to correct me.

Under the bill, if the investigator approaches any person and says, "I want your books, I want your records, I want every writing you have," and the man says, "It is not pertinent, it is not material, and I do not want you to have it," then the investigator can issue a subpoena to him and if he does not comply with the subpoena, then, upon the investigator's merely making application to the Federal court, without any hearing, without determining whether or not there is any merit to his contention, or without determining whether the books or writings are material or pertinent, the man can be held in contempt of court.

I think it should not be permitted that a bureaucratic agency of this Government can go into a man's business and, relying solely on its own discretion, take that man before a judge and say, "I need the books," and get an order against him without even a hearing. That is not American.

Let us see what the language is in the bill:

In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

My amendment adds "after a hearing in which the judge of said district court determines that the books and records and other writings are material and pertinent to such investigation."

When the court determines that, then they ought to be produced, but a contempt order ought never be issued

against the man if the books for which the investigator calls are not pertinent and material. I think the Congress ought to protect the American people, to some extent, at least, from such proceedings and actions as this. But how much more time would it take for this agency to go to a judge, after making the application, and show that the books were material and pertinent? Certainly the man who is being investigated ought to have some hearing before he is held in contempt of court.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Texas.

Mr. PATMAN. The provision in this bill requires that in the event a person refuses to obey a subpoena the agent must go before a court. That is the provision the gentleman is attempting to amend. Can we not leave it to a United States district judge to determine whether or not this man complained against should have a minute's hearing or an hour's hearing or 2 weeks' hearing? It is up to the judge.

The CHAIRMAN. The time of the gentleman from Florida [Mr. ROGERS] has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. ROGERS]?

There was no objection.

Mr. ROGERS of Florida. I would like to ask the gentleman from Texas this question. Is it the purpose of this committee in reporting this bill to say that before an order of contempt is issued, that the party against whom the contempt is issued shall have a hearing as to the materiality?

Mr. PATMAN. It says so in the language of the bill. It says they must appear before a United States court, and that carries with it the authority and jurisdiction of the judge to determine for himself whether he will have a hearing or not.

Mr. ROGERS of Florida. Then why is there any objection to putting this language in the bill if that is the intention of the committee?

You know that any judge, though he be inexperienced, can interpret it that way.

Mr. PATMAN. I believe we must assume that a United States district judge will act as he should act. Why should we help a man who wants to use the district judge just for delaying purposes? You would require it in every case, and every case will not need that.

Mr. ROGERS of Florida. But you only say "upon application." You do not say "a hearing shall be had." If you put the notice hearing in, then I say it is all right. But let us not give these people that power. You know how some of them act.

Mr. PATMAN. This is only a temporary law.

Mr. ROGERS of Florida. I do not care how temporary it is. We have no right to barter away the right of the American people to be heard before a contempt order is issued against them.

Mr. PATMAN. As the gentleman from Georgia pointed out, you will harm the people that we are attempting to help.

Mr. ROGERS of Florida. I do not think that I am harming a person if I ask that he be given a hearing before a contempt order is issued against him. I do not think that is harming anyone. I hope the Congress will afford Americans an opportunity to be heard before a contempt order is issued against them.

You know how some of these bureaucratic inspectors go out and gather up these records in evidence and then they act as prosecutor and judge and in every other capacity possible. I think you have to give the American people some rights. This is not an amendment which is contrary to the purposes of the bill. I hope the Congress will adopt this amendment so that we know it is spelled out in black and white and we will know that before a contempt order can be issued, that the man has had a hearing. That is all I want.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. CHURCH. You want a hearing provided for here, otherwise a bureaucrat will go to a man and read these five lines to him and will say to him, "You do not get a hearing, and you had better behave yourself and produce your books."

Mr. ROGERS of Florida. That is possible.

Mr. CHURCH. That bureaucrat will say to him, "You do not get a hearing, sir, and you had better behave."

Mr. ROGERS of Florida. I think that is possible.

Mr. CHURCH. That is the bureaucratic way.

The CHAIRMAN. The time of the gentleman from Florida [Mr. ROGERS] has expired.

Mr. HOBBS. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, those of us who are supporting this amendment fear that this section seeks to punish contempt of a bureaucrat rather than contempt of court. If there is no hearing, no appearance of the citizen whose books or records are to be examined and produced under compulsion, then how can the judge constitutionally exercise the power to punish for contempt when there is no contempt other than contempt of the bureaucrat who issues the subpoena for the books to be produced? It seems to me that the gentleman's amendment particularly, since he says that to write in the word "hearing" is all he wants, is a most reasonable amendment, and necessary to give the section validity. I hope the committee will accept it. Why? The committee should welcome any improving amendment. If you mean what this section says, any district court of the United States "for any district in which such person is found," "upon application"—though by whom is not stated—"shall have jurisdiction to issue an order requiring such person to appear and produce books, records, and other writings," although the case in which the bureaucrat's subpoena was

issued is pending 3,000 miles away, and the subpoena never was served on anyone, and the man "found" in the new State never heard of the case, without specifying what books, records, or other writings, nor whose, nor where. And any failure to obey such order—even if the man "found" never saw it, never was in that court, or knew any such order had been issued, nevertheless, the man could be punished "by such court as a contempt thereof."

Mr. PATMAN. According to Federal Court Rules of Procedure, could not a litigant get that same relief right now? In other words, if he asked for a hearing under Federal procedure, would not the court give him a hearing?

Mr. HOBBS. Not at all. Under this law, as it reads, and if it means what you contend it means, then there can be no harm done by the pending amendment.

Mr. PATMAN. No harm done?

Mr. HOBBS. Not a bit.

Mr. PATMAN. Except that it will just delay the procedure, and that is what most people have objected to.

They do not want any delay in procedure. They want action such as on fats and oils.

The only criticism we have had against the Department was delay in decontrolling fats and oils. If you adopt this amendment it will be delayed longer and longer, whereas, under existing law, it will be up to the judge, and if he believes they are just using him, he can just say, "It is obvious. I am not going to be a party to this black-marketing. I am going to make these fellows bring these books and records in." Otherwise they could have a delaying action, like they have right now in New York, and perishable products would be destroyed.

Mr. HOBBS. I appreciate the explanation of the gentleman, but to my mind it is simply a misconception of the fact. I have seen 18 contempt cases tried in an hour. There is no delay. All that this amendment asks for is that before you send an American citizen to jail for contempt, you give him notice and a hearing on the merits, whereas your law says that a bureaucrat can insist upon the production of books, or records, or other writings, whether they belong to the man in the toils of the bureaucrat, or not, and if the man fails to obey the bureaucrat he goes to jail for contempt, not of the bureaucrat, but of court, without knowledge, notice, or hearing.

Mr. PATMAN. No. The gentleman is entirely mistaken.

Mr. HOBBS. Then, if we are mistaken, why does the committee object to inserting those words?

Mr. PATMAN. It says, "when the Department calls upon him to produce information and he refuses," then the Department head must go to the court himself and get an order from the United States District Court himself to produce these books and papers. Then, and then only, can he be cited for contempt. The gentleman evidently has not read this language.

Mr. HOBBS. I beg your pardon. I have read it and I have read it very carefully. You do not provide for any

hearing as to the contempt of the bureaucrat or of any court. It is made obligatory upon the court to issue an order without notice or hearing—right or wrong—when there has been no contempt, nor even opportunity for contempt, the victim "may be punished by such court as a contempt thereof."

Mr. SPENCE. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield.

Mr. SPENCE. The citizen has his rights under the law, and stating it in this act would not have any effect. A court certainly would not send a man to jail without a hearing.

Mr. HOBBS. Your bill says that he could do so, sir.

Mr. SPENCE. If it does that it would be clearly unconstitutional.

Mr. HOBBS. I think so too, and that is the reason I am supporting this amendment.

Mr. SPENCE. There is no intention of that kind in the act. A judge would not send a man to jail for contempt of some other administrative agency. The judge would only send a man to jail for contempt of court. The judge could not try that.

Mr. HOBBS. That is exactly the position that I am taking here.

Mr. SPENCE. That is the position I take, and it is not in this bill.

Mr. HOBBS. It is to save your bill from unconstitutionality that we are supporting this amendment.

The CHAIRMAN. The time of the gentleman from Alabama, [Mr. HOBBS], has expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

I desire to point out on page 4, commencing with line 14, the officers are employees of the department enforcing this act, and they would have a right to subpoena any person to appear and testify and bring books. Then if he refuses, if the party refuses, then and only then, commencing in line 17 and in line 18, will the department through its officers and agents go into the United States District Court in the district where the person resides, into his home district where he resides, and upon application the judge is not required to do anything. But the judge shall have jurisdiction to issue an order, and we must assume that a United States district judge is going to know what he is doing before he issues any such order; then, if the judge issues the order and the party who resides in the United States district represented by the court refuses to obey the judge, he can be cited for contempt. Is not that the way of enforcing law in the United States? It is the way that ordinary laws are enforced. Why should we make an exception?

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. We all know that if an applicant said he was being abused by the agency that the United States district judge—imagine that—the district judge—in fact there is no doubt in my mind that he would take that into consideration.

I yield to the gentleman.

Mr. ROGERS of Florida. Would the gentleman object adding the phrase "after application and hearing"?

Mr. PATMAN. The language of this bill has been carefully considered. Now the gentleman wants to come in here and without consideration add different language to that which has been so carefully written. That is possibly throwing a monkey wrench into the machinery.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOBBS. Why, if the gentleman in his own words says that "we must assume" does he, then, object to inserting the assumption?

Mr. PATMAN. Because the judge might know they are just using him for a delaying action and he would not want to be used; therefore he would say "no hearing is necessary in this case"; so we leave it to the United States district judge.

Mr. HOBBS. That is exactly the purpose of the amendment, to leave it up to the judge.

Mr. PATMAN. Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Has the time on this amendment been limited?

The CHAIRMAN. The time has not been limited.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Members should read this section very, very carefully. There are a great many lawyers in this House who have had experience in court. What happens under this language ought to be clear to every lawyer in Congress: First, the person whose books and records are sought by an administrative agent of the Government refuses to produce those books at the request of the administrative agent; that agent then goes to a United States district judge and in an ex parte proceeding when the person involved is not present asks that judge for an ex parte order compelling the citizen to produce those books. There is not a lawyer in this Congress who has ever had experience who does not know that such orders are usually signed not only by United States district judges but also by other judges as a pure perfunctory matter. He issues the order in accordance with the language of this legislation directing this citizen to produce those books. Listen to what it states. It states that he "may issue that order upon application."

Not after hearing of the citizen but upon mere application of the administrative officer. After that order has been issued and the citizen still refuses to produce the books and records it states:

Any failure to obey such order of the court may be punished by such court as a contempt thereof.

After he fails to comply with the ex parte order issued by the court in which he has had no opportunity to be heard,

the court may issue a contempt citation and bring him before the court for contempt of the court, and punish him as the law prescribes.

At no place in that procedure is there any opportunity for the citizen to be heard except at the whim or caprice of the Federal judge who may or may not say: "Sir, I am going to let you give an explanation to me before I send you to jail for your contempt of this court." He clearly is in contempt under this law if he fails to comply with the order of the judge that has been issued ex parte.

It would seem to me it is asking only very little to say to the citizen under those circumstances, "You shall be entitled to a hearing before an adjudication of contempt is entered and before punishment is inflicted."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not reasonable to assume, in fact, that the Federal judge would accord the citizen an opportunity to explain why he had in the first instance failed to comply with the order of the administrator?

Mr. KEEFE. My dear sir, I would say I have such a deep and abiding respect for the Federal judiciary as such generally and for the judiciary as such generally, I would think most judges would take that position; however, the situation is well known of flagrant abuses of rights by Federal judges and other judges in matters of this character. When he has once issued his order directing the production of those books as an ex parte matter in which the citizen has not been heard, then it would seem to me it is only fair to accept the suggestions of the distinguished gentleman from Florida and the distinguished gentleman from Alabama, who is a very highly respected Member of the House Judiciary Committee, and simply assure the citizen by writing the language in there and giving him assurance which you say we ought to assume so that the citizen will have this protection.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PATMAN. Mr. Chairman, with the permission of the committee I would like to offer a substitute that on page 4, line 21, after the word "order" there be inserted "after hearing."

Mr. SPENCE. The committee, I am sure, will accept that amendment.

Mr. PATMAN. I will ask the gentleman to withdraw his amendment, with the understanding that the committee will offer an amendment, after the word "order" in line 21, page 4, to read "shall have jurisdiction to issue an order after hearing." In other words, put in the words "after hearing" requiring such person to appear.

Mr. PHILBIN. He could be heard before a member of the district attorney's office. I would suggest "after hearing and notice to the aggrieved party."

Mr. PATMAN. On application after hearing?

Mr. PHILBIN. Hearing and notice to the aggrieved party.

Mr. KEEFE. Surely what the gentleman is seeking to accomplish, as I understand, by his amendment, is to provide for a hearing.

Mr. PATMAN. Before the judge.

Mr. KEEFE. Before the judge?

Mr. PATMAN. That is right.

Mr. KEEFE. At which the aggrieved party or the citizen may have notice of the hearing and the right to appear and be heard. If you simply insert, as suggested by the gentleman from Massachusetts, the words "after hearing" that could be accomplished by merely having the administrative officer come before the judge. That would be a hearing. We want to assure the citizen the right to a hearing.

Mr. PATMAN. The Committee has gotten along so well today, and we want to try to satisfy the people that do not understand what we are trying to do in this provision, and if we can do it by a simple amendment, we would like to do it. I have no objection to putting that in, if it is all right with the chairman, "after notice and hearing."

Mr. SPENCE. We will accept that.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. What is the purport of the gentleman's amendment at the present time?

Mr. PATMAN. The judge can issue this order only after notice and hearing to the aggrieved person.

Mr. ROGERS of Florida. Would the gentleman mind putting in there, "after notice to the aggrieved party"?

Mr. PATMAN. That is all right.

Mr. ROGERS of Florida. All right, I will accept that.

Mr. PATMAN. Well, it may be involved in that respect. We will not do that.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. The amendment offered by the gentleman recognizes the fact that the rights of a citizen should not necessarily rest upon an assumption, no matter how reasonable it might be. I think the amendment that the gentleman has offered meets the objection raised to the original language.

Mr. PATMAN. I offer the amendment which reads, "after notice and hearing."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Why do you not say, "after notice of hearing to any such person"?

Mr. PATMAN. Well, that would be a little involved there.

Mr. COOLEY. In line 18 you use the language "any such person."

Mr. PATMAN. That is right.

Mr. COOLEY. Then why not put in "after notice of hearing"?

Mr. PATMAN. Does the gentleman mean after the word "application" on

line 21, "after notice and hearing to any such person"?

Mr. COOLEY. That is right.

Mr. PATMAN. Now I ask that the amendment be voted on, with the assumption that the gentleman of Florida will withdraw his amendment.

Mr. ROGERS of Florida. Will the gentleman repeat his amendment?

Mr. PATMAN. Yes. After the word "application", in line 21 insert "after notice to any such person and hearing."

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PATMAN. I ask for a vote.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 4, line 21, after the word "application", insert "after notice to any such person and hearing."

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment. You surely have got this thing all mixed up now.

Mr. PATMAN. Of course, we want a comma there.

Mr. WOLCOTT. Who do you give it to?

Mr. PATMAN. We can change the punctuation, if the gentleman desires.

Mr. WOLCOTT. I do not see how you can change the punctuation and make sense out of it.

Mr. PATMAN. I think it makes sense, and others think so.

Mr. WOLCOTT. "Application after notice." Notice to whom, for whom, for what?

Mr. PATMAN. "Application, after notice to any such person and hearing shall have jurisdiction to issue an order." The judge shall have jurisdiction.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, could we correct it if we put the word "and" in?

Mr. WOLCOTT. Of course, you could correct it by recommending it to the Committee on Banking and Currency.

Mr. PATMAN. We have three other bills yet, and if we agree on this, we will get through and adjourn until Monday. If we do not get through here now, we will have to come back tomorrow, and in the interest of trying to get through, I suggest that we adopt this amendment.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I suggest that after the word "application" you insert "and", making it read "and after notice to any such person and hearing." The word "and" would take care of it, I think.

Mr. PATMAN. Mr. Chairman, I offer an amendment that after the comma in line 21 there be inserted these words: "and after notice to any such person and hearing."

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 4, line 21, after the comma insert "and after notice to any such person and hearing."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 5, line 11, after "information" insert a period, and strike out all of lines 12, 13, and 14.

Mr. WOLCOTT. Mr. Chairman, I think this has been covered in the general debate. It is very obvious that the person disclosing the information would have no protection whatsoever in respect to confidential treatment of that information except as the head of the department or the official might determine that it was confidential. It is very apparent from the language that whether or not the information is deemed confidential and whether or not it is treated as confidential is wholly within the discretion of the department or official administering the law.

I do think we should be just a little bit careful. This has never been done before. There are four or five precedents in this bill in respect to the delegation of very unusual powers and the denial to individuals of liberties which heretofore seemingly have been guaranteed by the Constitution of the United States. If you do not delete this language, it will probably establish a precedent which might come back to bother you for a long time.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is obvious at this stage of the game that the devious purpose is to compound confusion here by attempting to quibble about phrases and to delete proposals in the bill, which have been carefully discussed in committee. This amendment would insert a period at the end of line 11 on page 5 and strike out qualifying language which reads "unless the head of such department or agency determines that the withholding thereof is contrary to the national interest."

I believe that that language should stay in because it qualifies the statement and clarifies it. The experience of the Department in carrying out the provisions of the Export Control Act since its enactment in 1940 and its continuance in 1947 indicates that language of this character is essential.

I do not think that we should concern ourselves too much about a phrase of this sort. I ask that this amendment be voted down and that the language be permitted to remain as is.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Georgia. I want to compliment the distinguished gentleman from Michigan [Mr. WOLCOTT] for the remarks he made on this same bill in a speech on December 15, 1947, when he so eloquently said, and I now want to read what he said:

We have likewise extended export controls in such manner that the President may be given broad authority, broad discretion as to this second reason why we have high prices and inflation. This second reason is the unusually heavy demand of foreign countries for American goods which are in short supply. The President is authorized under

this bill so to adjust our exports as to safeguard and stabilize the American economy. We have given the power in this bill to start the job which has got to be done if we are going to have economic stability and lower prices in the United States.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman for his contribution in referring to the remarks of the then chairman of the Committee on Banking and Currency in December 1947 when an extension of this particular section of Public Law 395 involving export controls was up for consideration.

Mr. Chairman, I ask that this section remain as is and ask that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 85, noes 101.

So the amendment was rejected.

The Clerk read as follows:

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: page 5, line 15, strike out all of section 7.

Mr. ELLSWORTH. Mr. Chairman, in 1946 we passed an excellent piece of legislation, which has proven its worth time and time again since its enactment. The law to which I refer is known as the Administrative Procedure Act of 1946, which requires administrative agencies to give notice, hold hearings, and give due publication to any rules, orders, or regulations promulgated by such agencies.

I can see no reason why the Congress, after enacting a very fine piece of legislation of that kind, which has proven its worth through years of operation, should today enact a law exempting an agency typical in all respects of the agencies which the Administrative Procedure Act was supposed to cover.

I feel that is particularly strange in view of some of the debate we have heard today. It seems to me there are many features of the bill now before us which take us farther down the road toward government by whim and caprice rather than government by law.

I call attention to the fact that the Administrative Procedure Act would only require the Office of International Trade to hear and take testimony from and consult with the various people with whom they deal, various private individuals in our country. The bill attempts to do that very same thing, and all in the world we would do by eliminating section 7 would be to further clarify the language which appears on page 3 and which authorizes "utilization of private competitive trade channels inso-

far as practicable, giving consideration to the interests of small business." The Administrative Procedure Act, referred to in section 7, not only gives consideration to business people, small and large, but sets up the procedure as to how that consideration is to be given. I think that is a practical principle that has been written out in the law. It can and should be applied to the Office of International Trade the same as any other agency, so that the small merchant and everybody else can know just how he is going to be treated. Otherwise this bill is a wide-open blank-check authority, of the type which would even make the rubber-stamp days of the New Deal look conservative.

All I suggest is that the section which would exempt the Office of International Trade from the Administrative Procedure Act, be eliminated from the bill, and let the law now on the books apply. That does not in any way hamper or hamstring or cripple or defeat the purposes of this bill. It has nothing to do with the intent of the proposed legislation. It merely replaces the possibility of whim and caprice with orderly procedure, as previously spelled out by this Congress.

I would suggest, although I feel certain I will get little support for the idea, that the Committee give serious consideration to accepting this amendment for the reasons I have stated, and because the Administrative Procedure Act does give the common citizen some needed protection.

Mr. SPENCE. Mr. Chairman, I rise to oppose the amendment. The provision suspends certain sections of the Administrative Procedure Act as far as this bill is concerned. All the temporary bills heretofore have had it. The Price Control Act, the Veterans' Emergency Housing Act—all of the temporary legislation has that provision. It is a standard provision in temporary legislation, and it is written into this act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. I desire to call the gentleman's attention to the Senate report on this bill, on page 6, wherein, in referring to this amendment, it says:

This is in accord with the policy expressed in section 2 of the Administrative Procedure Act itself. Other temporary regulatory activities authorized since that act have been granted comparable exemption. Examples of such are contained in the Sugar Control Exemption, and the Housing and Rent Act of 1947, the Veterans' Emergency Housing Program, and the War Housing Insurance Act.

Mr. SPENCE. Section 3 of the Administrative Procedure Act is applicable to the act, and that requires the publication of all the rules and regulations in the Federal Register.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The Clerk read as follows:

QUARTERLY REPORT

SEC. 8. The head of any department or agency, exercising any functions under this act shall make a quarterly report within

45 days after each quarter to the President and to the Congress of his operations hereunder.

With the following committee amendment:

Page 5, line 21, after "agency", insert the words "or official."

The amendment was agreed to.

The Clerk read as follows:

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This act shall take effect February 28, 1949, upon the expiration of section 6 of the act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, regulations, orders, licenses, or other forms of administrative action under said section 6 of the act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this act.

With the following committee amendment:

Page 6, line 17, before the word "regulations", insert the word "rules."

The committee amendment was agreed to.

The Clerk read as follows:

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 6, line 3, strike out "1951" and insert in lieu thereof "1950."

Mr. WOLCOTT. Mr. Chairman, there has been a great deal of discussion this afternoon about the power and the authority which is delegated, and the statement has been made—and I believe it has not been successfully contradicted—that the provisions of this bill can give to the Administrator of the bill control over our domestic economy.

It has been said here also that we should not be apprehensive of the powers of this bill, because it is temporary; that we are continuing it for only a temporary period. On almost all occasions that I can recall, where we were dealing with temporary legislation, 1 year was the longest for which we would grant these powers without review by the Congress. If we do not change this date from June 30, 1951, to June 30, 1950, we will establish as a matter of permanent policy, permanent and effective at least for 2 years, these new and very unusual powers and controls over our economy.

I wish that you would think what you are doing, and determine if you as a

matter of congressional policy want to establish these powers permanently, because if they can be justified for the next years they can be justified to continue for 5½ years after the cessation of hostilities, then, of course, they can be justified to run 10, 15, 20, or 50 years after the cessation of hostilities. You are in effect setting up this program as a program of permanent Government policy which I do not think you want to do or intend to do.

At the proper time a motion to recommit will be offered to continue export controls for 1 year as they now exist, which means that all of the powers and authority which the President and the Government have in respect to export controls will be continued for 1 year, including the power and the authority to use price criteria in determining to whom the license shall be granted.

In addition to that, the motion to recommit will include the amendment offered by the gentleman from Iowa [Mr. TALLE] and the gentleman from Georgia [Mr. BROWN] to exempt from the operation of the law insofar as specific licenses are concerned agricultural commodities in surplus. So that by adopting the motion to recommit we will continue all of the powers which the Government has had since 1940 to control exports and, in addition, we will protect agriculture from the exercise of these controls in the case of agricultural surpluses.

Let me remind the Members, Mr. Chairman, if we continue this power for 2 years it will take a two-thirds vote of this Congress to ever get the powers back. It will take a two-thirds vote of this Congress to restore to the American people the constitutional rights and freedoms which you are delegating to the administration today under this bill.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. CHURCH. I call the gentleman's attention to the fact it is not for merely 2 years. It is 2 years and a third of another year.

Mr. WOLCOTT. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

Mr. Chairman, this apparently is the last of a deluge of amendments that have been attempted to be placed on a bill which I think most of the Members who sat through the hearings regarded as rather noncontroversial.

We have had more bogeymen raised to scare the Congress in connection with a program that has been operating for a great many years, particularly in protecting our national economy and security against the overexport of scarce materials, than I have ever heard raised on the floor of this House.

The pending amendment would seek to reduce the time by 1 year on these export controls which under the bill will go for 28 months.

Mr. Chairman, export controls are a very vital arm of the Marshall plan or the European recovery program. You cannot operate the Marshall plan without export controls. If you want to sabotage the European recovery program which will run for several more years, just extend these controls for 1 year or 16 months, and you will cast a serious doubt on the success of the recovery program.

What has been the record of these export controls? They started out with more than 3,000 items under control. We are down to slightly over 300 at this time. Does that sound like a bureaucracy which is continually grasping and trying to expand its hold on the American economy or destroy the standards of American business or to put the farmers out of business or the little manufacturers out of business? Of course not.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. No. I have not the time.

Mr. TABER. I have a factory that closed up on account of these controls.

Mr. MONRONEY. This agency has attempted to decontrol wherever possible and not extend their coverage and are certainly not expanding their power.

One point has been overlooked in this extension of time. If you extend it only for a short period of time—because these are export controls and the export control business must be done about 6 months in advance of the shipment of these goods; it is not an instantaneous process like local domestic sales—then you are actually going to end this program, in reality, 6 months before the termination date provided for in the act.

Congress can, under this bill, by concurrent resolution—and it is a process that has been put in many bills that have gone through the House—terminate export controls at an earlier date. Now, the law has never been satisfactorily settled whether it requires a Presidential signature or not, but it is the feeling of the members that it does not require a Presidential signature, so the will of a bare majority of this Congress can be respected.

This program has safeguarded the economy of this country, and has stopped the shipment of high-octane gasoline, steel, and other vital war potential supplies to Russia itself.

You relied on this act at that time when you stopped the ships in the California harbors from taking high-octane gasoline to Russia. Without this act, exporters can ship anything excepting actual munitions to any country behind the iron curtain. No screening can be done of these exports—nor no question raised as to their intended use—if this act is killed.

I believe we can extend this act to protect this Nation's safety for 2 years' time, and you will find that with the program under which we are safeguarding American economy and security we will be better off.

I hope the amendment is defeated.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Oklahoma is about right. There was not

much controversy before the committee. But at the same time, Mr. Chairman, we could have used the same law that we had from 1940 up to the present time. Somebody, evidently, wanted a little more power. So, they stuck a few of these little provisions in the bill, and that is why we have been talking all the afternoon. Regardless of what anybody might say, we are giving too much power to the Federal Government. I heard a gentleman here yesterday say what they did for New England, or what would happen if we needed something. Well, let me say for New England, and especially Massachusetts, that if the Federal Government, and the bureaus that are running the Federal Government, will stay out of Massachusetts, we will be just about ten or fifteen times better off.

Mr. Chairman, I think that the ex-chairman of the Committee on Banking and Currency has made a fair proposition in asking that this only go into effect for a year, or a year and a couple of months, because the Department of Commerce has already decontrolled about 90 percent of the exports that they had when this thing started. So, there are only about 10 percent left. And, if they will let the people of the country produce and keep producing, you will not need that.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 97, noes 118.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes, pursuant to House Resolution 97, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill to the Committee on Banking and Currency

with instructions to report the same back forthwith with the following amendment in the nature of a substitute: Strike out all after the enacting clause and substitute in lieu thereof the following:

"SECTION 1. (a) Section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out 'February 28, 1949' and inserting in lieu thereof 'February 28, 1950'.

"(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark ups in export prices over domestic prices.

"(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof."

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. WOLCOTT. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 139, nays 222, not voting 72, as follows:

[Roll No. 17]

YEAS—139

| | | |
|------------------|----------------|------------------|
| Allen, Calif. | Hagen | Miller, Nebr. |
| Allen, Ill. | Hale | Morton |
| Andersen, | Hall | Murray, Wis. |
| H. Carl | Edwin Arthur | Nelson |
| Anderson, Calif. | Hall | Nicholson |
| Angell | Leonard W. | Nixon |
| Arends | Halleck | O'Konski |
| Auchincloss | Hand | Patterson |
| Barrett, Wyo. | Harden | Pfeiffer, |
| Bates, Mass. | Harvey | William L. |
| Beall | Herter | Phillips, Calif. |
| Bishop | Heseltun | Poulson |
| Blackney | Hill | Reed, Ill. |
| Boggs, Del. | Hinshaw | Reed, N. Y. |
| Bolton, Ohio | Hoeven | Rees |
| Bramblett | Holmes | Rich |
| Brehm | Hope | Richman |
| Brown, Ohio | Horan | Rogers, Mass. |
| Burdick | Hull | Sadlak |
| Byrnes, Wis. | James | Sadowski |
| Canfield | Jenison | St. George |
| Case, N. J. | Jensen | Sanborn |
| Case, S. Dak. | Johnson | Scrivner |
| Chapfield | Kean | Scudder |
| Church | Kearney | Shafer |
| Clevenger | Kearns | Short |
| Cole, Kans. | Keating | Simpson, Ill. |
| Cole, N. Y. | Keefe | Simpson, Pa. |
| Corbett | Kilburn | Smith, Kans. |
| Cotton | Kunkel | Smith, Wis. |
| Dague | LeCompte | Stefan |
| Davis, Wis. | LeFevre | Stockman |
| D'Ewart | Lemke | Taber |
| Dolliver | Lichtenwalter | Talle |
| Eaton | Lodge | Tollefson |
| Ellsworth | Lovre | Van Zandt |
| Elston | McConnell | Velde |
| Engel, Mich. | McCulloch | Vorys |
| Fenton | McDonough | Vursell |
| Ford | McGregor | Wadsworth |
| Gamble | McMillen, Ill. | Wardell |
| Gavin | Mack, Wash. | Wigglesworth |
| Gillette | Martin, Iowa | Wilson, Ind. |
| Golden | Martin, Mass. | Withrow |
| Goodwin | Marrow | Wolcott |
| Graham | Meyer | Wolverton |
| Gross | Michener | Woodruff |
| Gwinn | Miller, Md. | |

NAYS—222

| | | |
|---------------|----------------|----------------|
| Abernethy | Gary | Noland |
| Addonizio | Gathings | Norrell |
| Albert | Gilmer | Norton |
| Andrews | Gordon | O'Brien, Ill. |
| Aspinall | Gore | O'Brien, Mich. |
| Barden | Gorski, Ill. | O'Hara, Ill. |
| Baring | Gorski, N. Y. | O'Sullivan |
| Barrett, Pa. | Gossett | Pace |
| Bates, Ky. | Granahan | Passman |
| Battle | Granger | Patman |
| Beckworth | Grant | Patten |
| Biemiller | Green | Perkins |
| Bland | Gregory | Peterson |
| Blatnik | Hardy | Philbin |
| Bloom | Hare | Pickett |
| Boggs, La. | Harris | Poage |
| Bolling | Harrison | Polk |
| Bolton, Md. | Hart | Preston |
| Bonner | Havener | Price |
| Bosone | Hays, Ark. | Priest |
| Boykin | Hays, Ohio | Rabaut |
| Brooks | Hébert | Rains |
| Brown, Ga. | Hedrick | Ramsay |
| Bryson | Herlong | Rankin |
| Buchanan | Hobbs | Redden |
| Buckley, Ill. | Holtfield | Regan |
| Burleson | Howell | Rhodes |
| Burnside | Huber | Ribicoff |
| Burton | Jackson, Wash. | Richards |
| Camp | Javits | Rivers |
| Cannon | Jones, Ala. | Rodino |
| Carlyle | Jones, Mo. | Rogers, Fla. |
| Carnahan | Jones, N. C. | Rooney |
| Carroll | Karst | Sabath |
| Cavalcante | Karsten | Sasser |
| Chatham | Kee | Secrest |
| Chelf | Kennedy | Sims |
| Chesney | Kerr | Smathers |
| Chudoff | Kilday | Smith, Va. |
| Coffey | King | Spence |
| Colmer | Kirwan | Staggers |
| Combs | Kruse | Stanley |
| Cooley | Lane | Steed |
| Cooper | Lanham | Stigler |
| Cox | Larcade | Sullivan |
| Crook | Lesinski | Sutton |
| Crosser | Lind | Tackett |
| Davenport | Lucas | Tauriello |
| Davis, N. Y. | Lyle | Teague |
| Davis, Ga. | McCarthy | Thomas, Tex. |
| Davis, Tenn. | McCormack | Thompson |
| Dawson | McGrath | Thornberry |
| Deane | McGuire | Trimble |
| Delaney | McKinnon | Underwood |
| Denton | McSweeney | Wagner |
| Dollinger | Mack, Ill. | Walsh |
| Donohue | Madden | Welch, Calif. |
| Doughton | Magee | Welch, Mo. |
| Douglas | Mahon | Wheeler |
| Doyle | Mansfield | White, Calif. |
| Durham | Marcantonio | White, Idaho |
| Eberharter | Marsalis | Whitten |
| Elliott | Marshall | Whittington |
| Engle, Calif. | Miller, Calif. | Williams |
| Evins | Mills | Willis |
| Fallon | Mitchell | Wilson, Okla. |
| Feighan | Monroney | Wilson, Tex. |
| Fernandez | Morgan | Winstead |
| Fisher | Morris | Wood |
| Fogarty | Morrison | Woodhouse |
| Forand | Moulder | Worley |
| Frazier | Multer | Yates |
| Fugate | Murdock | Young |
| Garmatz | Murray, Tenn. | Zablocki |

NOT VOTING—72

| | | |
|----------------|-----------------|-----------------|
| Abbitt | Fulton | O'Neill |
| Allen, La. | Furcolo | O'Toole |
| Andersen, | Heffernan | Pfeifer, |
| August H. | Hoffman, Ill. | Joseph L. |
| Bailey | Hoffman, Mich. | Phillips, Tenn. |
| Bennett, Fla. | Irving | Plumley |
| Bennett, Mich. | Jackson, Calif. | Potter |
| Bentzen | Jacobs | Powell |
| Breen | Jenkins | Quinn |
| Buckley, N. Y. | Jennings | Scott, Hardie |
| Bulwinkle | Jonas | Scott, |
| Burke | Judd | Hugh D., Jr. |
| Byrne, N. Y. | Kelley | Sheppard |
| Celler | Keogh | Sikes |
| Christopher | Klein | Smith, Ohio |
| Clemente | Latham | Somers |
| Coudert | Linehan | Taylor |
| Crawford | Lynch | Thomas, N. J. |
| Cunningham | McMillan, S. C. | Towe |
| Curtis | Macy | Vinson |
| DeGraffenried | Mason | Walter |
| Dingell | Miles | Welch |
| Dondero | Murphy | Whitaker |
| Fellows | Norblad | Wickersham |
| Flood | O'Hara, Minn. | Wier |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Latham for, with Mr. Clemente against.
Mr. Dondero for, with Mr. Judd against.
Mr. Fellows for, with Mr. Vinson against.
Mr. August H. Andresen for, with Mr. Dingell against.
Mr. O'Hara of Minnesota for, with Mr. Kelley against.
Mr. Crawford for, with Mr. Klein against.
Mr. Hugh D. Scott, Jr., for, with Mr. Murphy against.
Mr. Cunningham for, with Mr. deGraffenried against.
Mr. Towe for, with Mr. McMillan of South Carolina against.
Mr. Coudert for, Mr. Keogh against.
Mr. Plumley for, with Mr. Walter against.
Mr. Hardie Scott for, with Mr. Sikes against.
Mr. Taylor for, with Mr. Furcolo against.
Mr. Jenkins for, with Mr. Bailey against.
Mr. Macy for, with Mr. Quinn against.
Mr. Hoffman of Michigan for, with Mr. Sheppard against.
Mr. Potter for, with Mr. Jacobs against.
Mr. Bennett of Michigan for, with Mr. Irving against.
Mr. Hoffman of Illinois for, with Mr. Celler against.
Mr. Jonas for, with Mr. Burke against.
Mr. Jackson of California for, with Mr. Wier against.
Mr. Norblad for, with Mr. Heffernan against.

General pairs until further notice:

Mr. Bentsen with Mr. Smith of Ohio.
Mr. Bennett of Florida with Mr. Mason.
Mr. Flood with Mr. Fulton.
Mr. Linehan with Mr. Jennings.
Mr. Whitaker with Mr. Welch.
Mr. Wickersham with Mr. Curtis.
Mr. Abbutt with Mr. Phillips of Tennessee.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 260, nays, 102, not voting 71, as follows:

[Roll No. 18]

YEAS—260

| | | |
|---------------|---------------|---------------|
| Abernethy | Carlyle | Evins |
| Addonizio | Carnahan | Fallon |
| Albert | Case, N. J. | Felghan |
| Andrews | Cavalcante | Fernandez |
| Aspinall | Chatham | Fisher |
| Auchincloss | Chelf | Fogarty |
| Barden | Chesney | Forand |
| Baring | Chudoff | Frazier |
| Barrett, Pa. | Coffey | Fugate |
| Bates, Ky. | Cole, N. Y. | Garmatz |
| Battle | Colmer | Gary |
| Beckworth | Combs | Gathings |
| Biemiller | Cooley | Gilmer |
| Blackney | Cooper | Golden |
| Bland | Corbett | Gordon |
| Blatnik | Cox | Gore |
| Bloom | Crook | Gorski, Ill. |
| Boggs, La. | Crosser | Gorski, N. Y. |
| Bolling | Davenport | Gossett |
| Bolton, Md. | Davis, N. Y. | Granahan |
| Bolton, Ohio | Davis, Ga. | Granger |
| Bonner | Davis, Tenn. | Grant |
| Boeone | Davis, Wis. | Green |
| Boykin | Dawson | Gregory |
| Brooks | Deane | Gross |
| Brown, Ga. | Delaney | Hardy |
| Bryson | Denton | Hare |
| Buchanan | Dollinger | Harris |
| Buckley, Ill. | Dolliver | Harrison |
| Burdick | Donohue | Hart |
| Burke | Doughton | Havener |
| Burleson | Douglas | Hays, Ark. |
| Burnside | Doyle | Hays, Ohio |
| Burton | Durham | Hébert |
| Camp | Eberhart | Hedrick |
| Canfield | Elliot | Herlong |
| Cannon | Engle, Calif. | Herter |

| | | |
|----------------|----------------|---------------|
| Hobbs | Meyer | Rooney |
| Hollifield | Michener | Sabath |
| Holmes | Miller, Calif. | Sasser |
| Howell | Mills | Secrest |
| Huber | Mitchell | Shafer |
| Hull | Monroney | Sheppard |
| Irving | Morgan | Sims |
| Jackson, Wash. | Morris | Smathers |
| Jacobs | Morrison | Smith, Va. |
| Javits | Morton | Spence |
| Johnson | Moulder | Staggers |
| Jones, Ala. | Multer | Stanley |
| Jones, Mo. | Murdock | Steed |
| Jones, N. C. | Murray, Tenn. | Stigler |
| Karst | Nixon | Sullivan |
| Karsten | Noland | Sutton |
| Kearney | Norrell | Tackett |
| Keating | Norton | Talle |
| Kee | O'Brien, Ill. | Tauriello |
| Kennedy | O'Brien, Mich. | Teague |
| Kerr | O'Hara, Ill. | Thomas, Tex. |
| Kilday | O'Sullivan | Thompson |
| King | Pace | Thornberry |
| Kirwan | Passman | Tollefson |
| Kruse | Patman | Trimble |
| Lane | Patten | Underwood |
| Larcade | Perkins | Van Zandt |
| Lesinski | Peterson | Velde |
| Lind | Pfeiffer | Wagner |
| Lodge | William L. | Walsh |
| Lovre | Philbin | Welch, Calif. |
| Lucas | Pickett | Welch, Mo. |
| Lyle | Poage | Wheeler |
| McCarthy | Polk | White, Calif. |
| McCormack | Preston | Whitten |
| McGrath | Price | Whittington |
| McGregor | Priest | Wier |
| McGuire | Rabaut | Williams |
| McKinnon | Rains | Willis |
| McMillen, Ill. | Ramsay | Wilson, Okla. |
| McSweeney | Rankin | Wilson, Tex. |
| Mack, Ill. | Redden | Winstead |
| Mack, Wash. | Regan | Withrow |
| Madden | Rhodes | Wolverton |
| Magee | Ribicoff | Wood |
| Mahon | Richards | Woodhouse |
| Mansfield | Richman | Worley |
| Marcantonio | Rivers | Yates |
| Marsalis | Rodino | Young |
| Morrow | Rogers, Fla. | Zablocki |

NAYS—102

| | | |
|------------------|---------------|------------------|
| Allen, Calif. | Hagen | Nelson |
| Allen, Ill. | Hale | Nicholson |
| Andersen | Hall | O'Konski |
| H. Carl | Edwin Arthur | Patterson |
| Anderson, Calif. | Hall | Phillips, Calif. |
| Angell | Leonard W. | Plumley |
| Arends | Halleck | Poulson |
| Barrett, Wyo. | Hand | Reed, Ill. |
| Bates, Mass. | Harden | Reed, N. Y. |
| Beall | Harvey | Rees |
| Bishop | Heseltun | Rich |
| Boggs, Del. | Hill | Rogers, Mass. |
| Bramblett | Hinshaw | Sadlak |
| Brehm | Hoeven | Sadowski |
| Brown, Ohio | Hope | St. George |
| Byrnes, Wis. | Horan | Sanborn |
| Chipperfield | James | Scrivner |
| Church | Jenison | Scudder |
| Clevenger | Jensen | Short |
| Cole, Kans. | Kean | Simpson, Ill. |
| Cotton | Kearns | Simpson, Pa. |
| Dague | Keefe | Smith, Kans. |
| D'Ewart | Kilburn | Smith, Wis. |
| Eaton | Kunkel | Stefan |
| Ellsworth | LeCompte | Stockman |
| Elston | LeFevre | Taber |
| Engel, Mich. | Lemke | Vorys |
| Fenton | McConnell | Vursell |
| Ford | McCulloch | Wadsworth |
| Gamble | McDonough | Werdel |
| Gavin | Martin, Iowa | White, Idaho |
| Gillette | Martin, Mass. | Wigglesworth |
| Goodwin | Miller, Md. | Wilson, Ind. |
| Graham | Miller, Nebr. | Wolcott |
| Gwinn | Murray, Wis. | Woodruff |

NOT VOTING—71

| | | |
|----------------|-----------------|-----------------|
| Abbutt | Clemente | Jenkins |
| Allen, La. | Coudert | Jennings |
| Andersen | Crawford | Jonas |
| August H. | Cunningham | Judd |
| Bailey | Curtis | Kelley |
| Bennett, Fla. | DeGraffenried | Keogh |
| Bennett, Mich. | Dingell | Klein |
| Bentsen | Dondero | Lanham |
| Breen | Fellows | Latham |
| Buckley, N. Y. | Flood | Lichtenwalter |
| Bulwinkle | Fulton | Linehan |
| Byrne, N. Y. | Furcolo | Lynch |
| Carroll | Heffernan | McMillan, S. C. |
| Case, S. Dak. | Hoffman, Ill. | Macy |
| Celler | Hoffman, Mich. | Marshall |
| Christopher | Jackson, Calif. | Mason |

| | | |
|-----------------|---------------|---------------|
| Miles | Potter | Taylor |
| Murphy | Powell | Thomas, N. J. |
| Norblad | Quinn | Towe |
| O'Hara, Minn. | Scott, Hardie | Vinson |
| O'Neill | Scott, | Walter |
| O'Toole | Hugh D., Jr. | Welch |
| Pfeifer | Sikes | Whitaker |
| Joseph L. | Smith, Ohio | Wickersham |
| Phillips, Tenn. | Somers | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Clemente for, with Mr. Latham against.
Mr. Lichtenwalter for, with Mr. Dondero against.
Mr. Judd for, with Mr. Towe against.
Mr. McMillan of South Carolina for, with Mr. Hugh D. Scott, Jr., against.
Mr. Sikes for, with Mr. August H. Andresen against.
Mr. Quinn for, with Mr. Macy against.
Mr. Furcolo for, with Mr. O'Hara of Minnesota against.
Mr. Klein for, with Mr. Hardie Scott, against.
Mr. Carroll for, with Mr. Taylor against.
Mr. Lynch for, with Mr. Fellows against.
Mr. Vinson for, with Mr. Coudert against.
Mr. Keogh for, with Mr. Hoffman of Michigan against.
Mr. Walter for, with Mr. Cunningham against.
Mr. Joseph L. Pfeifer for, with Mr. Hoffman of Illinois against.
Mr. Kelley for, with Mr. Jonas against.
Mr. Celler for, with Mr. Jenkins against.
Mr. Murphy for, with Mr. Crawford against.
Mr. Bailey for, with Mr. Norblad against.
Mr. Heffernan for, with Mr. Potter against.
Mr. Buckley of New York for, with Mr. Jackson of California against.

Additional general pairs:

Mr. Abbutt with Mr. Bennett of Michigan.
Mr. Dingell with Mr. Curtis.
Mr. Flood with Mr. Mason.
Mr. Whitaker with Mr. Phillips of Tennessee.
Mr. Linehan with Mr. Smith of Ohio.
Mr. Bentsen with Mr. Welch.
Mr. Bennett of Florida with Mr. Jennings.
Mr. Wickersham with Mr. Fulton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 548) to provide for continuation of authority for the regulation of exports, and for other purposes, a similar bill to the one just passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Export Control Act of 1949."

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use

export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency, or official to carry out the policies of this act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of con-

tumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides in or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency, or official exercising any functions under this act shall make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This act shall take effect February 28, 1949, upon the expiration of section 6 of the act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under said section 6 of the act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Page 5, line 6, after the comma insert the following: "and after notice to any such person and hearing."

Mr. SPENCE. Mr. Speaker, this makes the Senate bill identical with the one just passed.

The SPEAKER. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings by which the bill, H. R. 1661, was passed will be vacated and the bill laid on the table.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2402. An act to extend the Office of the War Assets Administrator and the War Assets Administration from February 28, 1949, until June 30, 1949.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 51. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Army.
2. Department of the Air Force.
3. Departments of the Army and the Air Force.
4. Department of Commerce.
5. Department of the Interior.
6. Department of State.
7. Department of the Treasury.
8. Civil Service Commission.
9. Federal Security Agency.
10. National Archives.
11. Tennessee Valley Authority.
12. Veterans' Administration.

COMMITTEE ON PUBLIC LANDS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 66 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the Committee on Public Lands (now comprised of the six former Committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs) may make investigations into any matter within its jurisdiction. For the purpose of making such investigations the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems neces-

sary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MARITIME COMMISSION

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 92) to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HAND. Mr. Speaker, reserving the right to object, and I shall not object, I would like to have the gentleman explain very briefly the resolution he has offered.

Mr. BLAND. The resolution carries into effect the right to charter and operate vessels until June 30, 1949. It was agreed to by all of the members of the committee.

Mr. HAND. Mr. Speaker, further reserving the right to object, I would like to say that the minority have directed me to say that they are in wholehearted accord with the chairman of the committee and the members of the committee on this bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, further reserving the right to object, is it the purpose of the gentleman to bring in new legislation before the 4 months expire, or does he think this will wind it up?

Mr. BLAND. We are considering a bill now, but we thought it needed to be considered a little further in the light of changing conditions.

Mr. MARTIN of Massachusetts. The gentleman does not think then that we could wind this operation up in 4 months?

Mr. BLAND. No, not now.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the resolution as follows:

Resolved, etc., That (a) the joint resolution entitled "Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes", approved February 27, 1948 (Public Law 423, Eightieth Congress), is amended by striking out the date "March 1, 1949" wherever it appears therein and inserting in lieu thereof the date "March 1, 1950." That joint resolution is further amended by inserting at the end of subparagraph (b) thereof the words "Provided, however, That vessels may be chartered to the Republic of the Philippines, or citizens thereof, for use in the interisland commerce of the Philippines in accordance with section 306 of the Philippine Rehabilitation Act of April 30, 1946 (60 Stat. 137; U. S. C., 1946 ed., title 50, sec. 1786)."

With the following committee amendment:

Page 1, line 9, strike out "March 1, 1950" and insert "June 30, 1949."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 102 was laid on the table.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, Congress enacted the Foreign Assistance Act of 1948, which contained in section 111 (a) a provision that—

The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as practicable, that, at least 50 percent of the gross tonnage of commodities procured within the United States out of funds made available under this title and transported abroad on ocean vessels is so transported on United States flag vessels to the extent such vessels are available at market rates.

In passing this act we believed that Congress intended that at least 50 percent of such traffic should be transported on United States vessels at market rates for United States vessels. The sponsors of this provision in both the Senate and House have stated that such was their understanding, and we believe that this was the understanding of a very large majority of the Members of Congress when they voted its approval. Last autumn the ECA Administrator announced that, based upon the opinion of the general counsel of the ECA, he proposed to interpret this provision so as to limit it with respect to bulk cargoes to instances where United States flag ships are available at world-wide competitive tramp rates.

When Congress enacted the Foreign Assistance Act of 1948, it had before it large amounts of dependable data concerning the higher operating costs of American ships.

The Administrator has expressed the desire that Congress should clarify the provision referred to so that there might be no question as to his administering the act in accordance with the desires of Congress and that he is in no manner exceeding his authority thereunder. There is pending before the Merchant Marine Committee of Congress a bill—H. R. 1340—which in our opinion amply clarifies the congressional intent and will. Hearings have been held on that bill, but it is being considered further by the committee and will require additional time for complete consideration and report.

We believe that the Administrator was also motivated by a desire to administer the act in a more efficient and economical manner, and a very substantial amount of misunderstanding has arisen concerning the financial effect of the higher ocean freight rates paid to American ships. Some differences of interpretation exist, and the committee feels that more careful consideration is required

to write into law clarification that will carry out the intent of Congress, and provide that efficient and economical administration that is wished by all concerned with this problem.

We suggest that the right of American shipping to participate in the carriage of these cargoes to the extent of at least 50 percent thereof is the minimum consideration which can be afforded this important industry. To suggest that this industry should perform these services at a rate level comparable with low-wage foreign competition would be a great injustice. We hear no suggestion that the producers of other commodities should be required to adjust similarly their prices. Every other industry supplying commodities or services is receiving their full American price. This includes wheat at the guaranteed Government price level, coal, and freight charges to the railroads to bring these commodities to seaboard. Until other industries supplying commodities or services to the ECA program reduce their prices to approximately foreign production cost levels, we see no justification for this discrimination against American shipping.

It is unnecessary to point out the importance of the American merchant marine to transport our commerce to and from our national defenses.

Attention should be called to a statement by the chairman of the Senate Committee on Commerce who recently pointed out the inconsistency of expending approximately \$15,000,000,000 per year upon national defense while at the same time, under the contention of a minor economy, opposing or weakening one of the very important elements of national defense, the American merchant marine.

We submit that the participation of United States ships in the European recovery program is no more an additional subsidy to American shipping than the higher American cost paid to other American industries for commodities or services over and above the price level therefor at a European or world market level based upon the use of cheap labor and low living standards. Unless such a philosophy is adopted as to all other American industries furnishing commodities to the ECA program, we very strongly protest against such discriminatory treatment of United States ships and the creation of a false public impression that an American industry, rather than the Marshall-plan nations is the recipient of substantial portions of the funds appropriated for European recovery.

At the time of a meeting which representatives of the United States Maritime Commission, the United States Senate, our committee of Congress and other interested parties had with the ECA Administrator, he indicated to those present that because of world conditions he would withhold his order for probably another 60 days after February 1, and it is vitally important to act quickly, before another order comes out of ECA.

Senator MAGNUSON said it was thought in the Senate that the provision of the ECA bill was clear but that 50 percent was too little, and that it should have

been 75 or 80 percent, but that it was a compromise then.

Correlated with the same problem of clarification involved in H. R. 1340, for which there is pending a similar proposal in the Senate, there is need to extend the time for chartering ships.

It is necessary to increase American ships available to carry the goods, for if no American ships were available foreign rates would increase to a rate about equal to American rates today, if there were no American ships available to compete for part of the business.

Testimony before the committee was to the effect that the American merchant marine could carry more of the cargoes, but it was somewhat agreed that if we could get 50 percent participation we would be content. We said that we would be content if we got 50 percent of all the cargoes financed by Government aid programs in both directions.

The Administrator for ECA announced in a letter to Hon. STYLES BRIDGES, chairman, Joint Committee on Foreign Economic Cooperation, that not later than January 1, 1949, he would no longer require that 50 percent of the ECA bulk cargoes be required to be carried in United States flag ships unless such ships are available at competitive rates.

On December 22, 1948, it was announced that the change of policy would be postponed until February 1, 1949, and later it was postponed for an additional 60 days.

In his letter, the Administrator stated that he was advised by the general counsel of the Economic Cooperation Administration that the provision in question—the second sentence of paragraph 2 of section 111 (a)—did not require the Administrator to insist that 50 percent of ECA bulk cargoes should be carried in United States flag ships unless such are available at world-wide competitive tramp rates.

The Maritime Commission reported to the House committee that it was convinced that the action proposed by the Administrator would not be in accord with the provisions of the intent of the law, is not in accord with the economic factors involved in the administration of the 50 percent minimum participation provisions, and will be detrimental to the national commerce and the national security of the United States.

The Maritime Commission reported that the Commission was convinced that the participation in question was a considered decision of policy by the Congress in favor of giving overriding consideration of protecting and promoting the American merchant marine over the making available of dollar credits to the nations participating in the ECA program.

The Commission said:

The legislative history of the provision contains several statements recognizing that enactment of the 50-percent participation provision would involve increased cost of shipment. The subsidy argument was advanced in opposition to the enactment of the provision. Congress obviously intended to adopt the provision notwithstanding that its effect might be an indirect subsidy to American-flag operation. There are other provisions

in the act which evidence an intention to minimize as far as possible the effect of the program upon channels of trade forming a part of the domestic economy of the United States.

The Maritime Commission has examined the economic effects of the participation provision and has given careful attention to the probable effects of a suspension or waiver of the provision as proposed by the Administrator for Economic Cooperation. It has explored the extent of the differential between market rates for United States flag vessels and the world-wide competitive tramp rates. It is clear that the differential is smaller and involves much less cost to the taxpayer than has been alleged. The Commission is convinced that the participation provision is a fair and reasonable requirement in connection with the economic cooperation program. It is beyond question that the relatively minor monetary consideration involved is more than outweighed by advantages to the domestic economy and the national security of the United States. In considering the employment of United States flag vessels at market rates for such vessels, it should be obvious that keeping a substantial portion of United States Government-owned vessels employed and maintained in class at the expense of the charterer is preferable to lay-up of such vessels with the attendant expense and loss of employment together with the loss of taxes on the income from such operations and taxes on the earnings of personnel employed in such operation.

With reference to the matter of contribution by the United States shipping industry to the economic rehabilitation of Europe, attention is called to the extent of the United States assistance in rehabilitating the merchant fleets of ECA nations through sales of Government war-built vessels at low prices, enabling foreign nations competing with the United States in shipping to place their fleets in competitive operation rapidly and under conditions of competition which involve continued detriment to the American shipping industry. There is no doubt that if the proposed ECA policy of using foreign-flag vessels to carry bulk cargoes is carried out, it will, in effect, wipe out operation of an American tramp fleet. This proposed policy means the elimination of American ships, seamen, operators, and shore establishments which are essential to a balanced American merchant marine commensurate with the needs of the United States and adequate for its national security. The lesson of two world wars with respect to the shipping industry is a mandate to avoid in the future the extraordinary expense and the dangerous delays of building a merchant marine in time of war or national danger. In a letter from Charles E. Dewey, general agent of the committee of the House and Senate known as the watchdog committee on this ECA program, he says that he believes that the legislative history of the act, Public Law 472, is such as to establish a "clear congressional intent to assure that at least 50 percent of the

gross tonnage of commodities procured in the United States be transported abroad on United States flag vessels."

He said:

While the cost of operating United States flag vessels is generally recognized as higher than that of foreign-flag vessels, the adoption of a market rate determined by the world rate would preclude the attainment of objectives sought to be accomplished by the provision. It must be assumed that in providing this protection for United States flag vessels the Congress was aware of this price differential between United States and nonflag vessels.

It would appear from conversations that in determining the proceedings essential in achieving a workable solution to section 111 (a) (2) the following points require careful attention:

1. At present large numbers of United States maritime chartered vessels are being returned to the Commission for the lack of cargo and the non-profit rate offered. The rate at which these vessels are being returned indicates that the cargo supply may soon reach a point where the present available United States flag ships will not be in such force as to provide capacity for 50-percent total gross tonnage envisioned by the act.

2. There are not sufficient United States flag privately owned vessels to move 50 percent of the gross tonnage, therefore requiring continued bare-boat charters by the Maritime Commission.

3. National security depends to a degree upon an available maritime industry. Therefore, one of the objectives of section 111 (a) (2) was to provide by this provision maximum employment in this industry. This accomplishment necessarily requires the operation of a maximum practicable number of United States flag ships.

4. It is evident, in view of the world supply of cargo space that as the United States cargo space is diminished, the rate for foreign cargo space will be increased, with the end result that the total transportation cost of this program may increase to an amount in excess of the amount that would be necessary even though the 50 percent tonnage shipped on United States vessels were provided at a rate higher than that prevailing for foreign-flag vessels.

I am sure you will find the facilities of the Maritime Commission available to you to the fullest extent in resolving these problems so that the protection intended for the United States flag vessels may be provided and at the same time rates established so as to protect to the greatest extent possible the expenditures of American dollars.

The necessity for the enactment of House Joint Resolution 92 at once is evident because the Chairman of the Maritime Commission testified that there are not at the present time enough privately owned ships to carry 50 percent of the cargoes required to be carried, and as Admiral Smith said:

With our authority expiring on the 28th of February 1949, operators are reluctant to charter from the Commission more ships because they have to pay the cost of taking the ship out of lay-up. Ships must be preserved and they are preserved, and the cost of taking them out of lay-up is considerable, and they would have only one voyage and they cannot get their money back. It is very important that it be determined whether or not our chartering authority is going to be extended beyond February 28 of this year.

In answer to a question by Mr. BOYKIN, Admiral Smith, Chairman of the United

States Maritime Commission, said that we do have enough vessels to charter to have the entire 100 percent of ECA shipments. He said in answer to a question that if we carried 100 percent, each country would carry 100 percent of its cargoes, and each nation would have its ships going one way in full load and going back in ballast, including ourselves and with a 50 percent rate they will get cargo both ways.

This extension for 4 months of the powers of the Maritime Commission is for the purpose of permitting the committee to examine closely the many and varied problems involved in the extension of the ship sales, charter, and operating authority. In view of the fact that the expiration date of the presently existing authority is February 28, 1949, the committee felt that it did not have sufficient time to permit the necessary consideration of the many questions involved. It is our thought that during this 4-month period the Maritime Commission shall carry on its activities for the sale, charter, and operation of vessels in the same manner as they have been doing and that no changes in policies which might affect sale and charter shall be instituted until the Congress has reached a final decision on the long-range program. In other words, we feel that the status quo should be maintained without the imposition of any restrictions over those which have been in effect for the past several years. Nothing should be done which would adversely affect the power of the Congress to make decisions on the basic questions of sale and charter policy. We have discussed this matter with Admiral Smith, chairman of the Maritime Commission, and have been assured that it is the intent of that body not to impose such restrictions during the period in which this resolution would be in effect, and that changes in chartering policy which had been proposed by his agency will be held in abeyance. Our thought is that during this 4-month period no action should be taken by the Commission which might do irreparable harm to the small operators presently chartering ships. It is our distinct understanding and agreement that the present practices will continue as at present and that no new practices, policies, and regulations shall be put in effect.

Mr. HAND. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Washington [Mr. TOLLEFSON], may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, in connection with the committee report on House Joint Resolution 92, I should like to add a few comments with particular reference to conditions on the west coast.

The Maritime Commission's suggested program of September 22 and 24, 1948, and certain exceptions already made by the Commission in the administration thereof adequately provide for many companies on the west coast, but they do

not make adequate provision for many small companies which are prominently identified with the Pacific coastwise trade. I have particular reference to Coastwise Line, Olympic Steamship Co., W. R. Chamberlin Co., James Griffith Co., and others. The reasons why these companies, whose prewar operation was so important to the economy of the west coast as well as to the merchant marine, have failed to purchase tonnage under the Merchant Ship Sales Act, are shown in the record of the hearings. They are based on the fact that under the existing competitive rail-rate structure, it would be impossible for these companies to operate profitably. The Interstate Commerce Commission has been looking into this problem for some time, and hearings on the subject are about to commence. It is to be hoped that within the near future the situation will be adjusted to permit these companies to return to their prewar status as important vessel owners and operators on the west coast.

It would be most unfortunate if the Merchant Marine Committee or the Maritime Commission should impose a death sentence on these companies prior to such time as they could reasonably be expected to purchase vessels and rehabilitate the coastwise trade. In the meantime the companies must be permitted to operate in the offshore trades in order that they may maintain their valuable experience and efficient organizations intact, pending rehabilitation of the coastwise trade. The 4-month extension provided for by House Joint Resolution 92 will give the Merchant Marine Committee a further opportunity to consider the problems of these carriers. I hope that the Maritime Commission will also give the matter further consideration, and suggest to the committee ways and means by which the peculiar needs and requirements of these carriers are to be recognized in the Commission's administrative policy. Meantime we understand the status quo will be maintained, and these companies will continue to operate to the extent of their present scope, pending final action by the committee.

AGRICULTURAL CREDIT CORPORATION

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 110, Rept. No. 145), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2101) to authorize the regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous ques-

tion shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include a statement he made in connection with the introduction of H. R. 2811 today.

SPECIAL ORDERS GRANTED

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent that on Monday next, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE ON RULES

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. SABATH] may have until midnight tonight to file a privileged report from the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. KIRWAN (at the request of Mr. MANSFIELD) was given permission to extend his remarks in the RECORD and include an address by Hon. James A. Farley.

Mr. RHODES asked and was given permission to extend his remarks in the RECORD in two instances and include articles on national health insurance and the Taft-Hartley Act.

Mr. BROOKS (at the request of Mr. TRIMBLE) was given permission to revise and extend the remarks he made earlier today and include extraneous matter.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include a newspaper clipping.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD and include an address he made before the American Road Builders Association.

Mr. KEATING (at the request of Mr. HAND) was given permission to extend his remarks in the RECORD.

Mr. FORD asked and was given permission to extend in the RECORD the joint remarks of Mr. ENGEL of Michigan, Mr. POTTER, and himself, and include a letter and a table.

Mr. WELCH of California asked and was given permission to extend his remarks in the RECORD and include an editorial published in the San Francisco News.

Mr. GWINN asked and was given permission to extend his remarks in the RECORD on rent control.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article on Dr. Edmund A. Walsh, S. J., vice president of Georgetown University.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an article from a Minneapolis newspaper.

PERSONAL ANNOUNCEMENT

Mr. CARROLL. Mr. Speaker, I was called off the floor during the roll call a few moments ago on the passage of the bill H. R. 1661. I should like the RECORD to show that had I been present I would have voted "yea."

SIGNING OF ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House today the Speaker may be authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of announcing the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, it was the intention to bring up today House Resolution 75, but this will be brought up on Monday next. It will not appear on the program for next week, but since I have been informed that there is some opposition to it, rather than bring it up tonight I am putting it on the program for Monday.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CASE of South Dakota. Is House Resolution 75 the resolution that deals with investigative powers for the Committee on Education and Labor?

Mr. McCORMACK. The gentleman is correct.

This is the program for next week:

On Monday there will be the call of the Consent Calendar. There will also be a suspension on the bill H. R. 2626,

if the bill is not passed by unanimous consent. That is the authorization of the General Accounting Office Building. There will also be taken up the bill H. R. 858, known as the overtime on overtime bill, and the bill H. R. 2102, which authorizes the Regional Agricultural Credit Corporation to make disaster loans.

Tuesday is Washington's Birthday. There will be no session on Wednesday. We will adjourn from Tuesday to Thursday, and there is no business scheduled for Thursday. There will be no business brought up after Monday of next week, with the exception of that which is brought up by unanimous consent. We know such matters, and there probably will be none, are very carefully screened by both sides before unanimous consent can be obtained.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CASE of South Dakota. The majority leader mentioned the bill relating to overtime on overtime and also the bill relating to the Regional Agricultural Credit Corporation. Are those coming up under suspension of the rules?

Mr. McCORMACK. No; they will come up under the regular rules of the House.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. RICH] is recognized for 20 minutes.

GOVERNMENT FINANCES GO INTO THE RED WITH TRUMAN—WE SCATTER OUR TAXPAYERS' DOLLARS ALL OVER THE WORLD

Mr. RICH. Mr. Speaker, on many occasions I have risen in this Chamber to plead with the Members of this House to cut down on the huge appropriations, so that we can balance the budget, bring our financial house in order, and commence to pay off the huge national debt accumulated under the New Deal and the recent World War.

At the close of 1932 the national debt was approximately \$19,500,000,000, and a great portion of this debt was incurred by loans to foreign governments during and after World War I, which for the most part never have been paid.

On Thursday, February 10, the distinguished gentleman from Georgia [Mr. DAVIS] warned the Members that the President's budget request for 1950 exceeds the budget submitted for 1948 by \$4,400,000,000 and is \$6,800,000,000 larger than the budget for 1947.

Well can I remember, Mr. Speaker, how the people of this Nation reacted to the spendings of the Fifty-second Congress. This was our first billion-dollar Congress. The older Members of this body will perhaps recall the depression, the unemployment and the labor disorders of 1893 and 1894. The country was in a turmoil.

Yet the Fifty-second Congress voted appropriations totaling \$507,376,397 during the first session and \$519,535,293 during the second session, a total of more than a billion dollars in the 2-year period.

Every succeeding Congress, except the Fifty-third has voted bigger and bigger appropriations which have helped to build up our national debt.

Back in 1893 and 1894 the debt was less than one billion dollars. It averaged about \$15 per capita. It did not vary very much even during the period of the Spanish-American War, when it rose to \$19.33 per capita. However, by 1916 the debt had been reduced to \$11.96 per capita.

Today with the debt standing at more than \$250,000,000,000 it is approximately \$1,738 per capita. So I say the Members of this Congress ought to stop, look, and listen, long and carefully, before they vote the full \$41,857,777,869 our President has asked for. Now I do not impugn the motives of our President, who has to take his advice from many sources, but I do wish to point out that we have got to cut down on the spending if this Nation is to remain solvent. We cannot continue to scatter our taxpayers' dollars all over the world indefinitely. We have plenty of places for every dollar right here in the United States. And surely no honorable course will lead to foisting our present national debt upon the shoulders and the backs of generations as yet unborn. Now, some will ask how can we cut down on the spending and keep this Nation out of another war.

THE FIRST STEP TO ECONOMY

The first and the prime step, in my opinion, will be the putting into immediate operation the recommendations of the Commission on Organization of the Executive Branch of the Government, created by the Eightieth Congress.

If we can lift, in part only, the load of Federal bureaucrats who have affixed themselves to the Government pay rolls, from the backs of the American taxpayer we will not only move toward economy in Government, but at the same time go a long way toward saving our Republic from the advance of State socialism.

Just think, as recently as 1941 we had 1,292,000 employees on the civilian pay rolls. Last year the number was 2,021,000 and growing rapidly.

As our Federal bureaucracy grew, so did Federal control over taxing. There has been a great change in the tax pattern since 1932. Where the Federal Government used to collect about one-fourth of all taxes in 1932, today the Federal Government collects three-fourths.

The pattern is shown by the table which follows:

TABLE 1.—Percent of taxes collected by Federal, State and local taxing authorities

| | |
|-----------------------|-------|
| 1932: | |
| Federal, percent..... | 24.0 |
| State, percent..... | 22.6 |
| Cities, percent..... | 24.7 |
| Others, percent..... | 28.7 |
| Total | 100.0 |
| 1947: | |
| Federal percent..... | 74.7 |
| State, percent..... | 13.6 |
| Cities, percent..... | 5.7 |
| Others, percent..... | 6.0 |
| Total | 100.0 |

Dollar-wise the collections compare as follows:

| | |
|----------------------|-----------------|
| 1932: | |
| Federal taxes..... | \$1,790,000,000 |
| State taxes..... | 1,890,000,000 |
| All other taxes..... | 4,468,000,000 |
| Total..... | 8,148,000,000 |
| 1947: | |
| Federal taxes..... | 35,117,000,000 |
| State taxes..... | 5,776,000,000 |
| All other taxes..... | 5,795,000,000 |
| Total..... | 45,688,000,000 |

In 1948 the Federal Government collected \$42,431,000,000 in taxes; the State governments, \$7,798,000,000; and the local taxing authorities collected \$7,122,000,000. This total taken by the tax collector of \$57,351,000,000 is more than one-fourth of the national income at its peak point in 1948.

The Federal Government is siphoning off the peoples earnings by the billions for purposes and enterprises that were never dreamed of in the days of Jefferson and Jackson, the great leaders of the party now in power.

Jefferson foresaw some of the difficulties which confront us now. In a letter to M. Pictet, written during his first term, he said:

We are endeavoring to reduce the Government to the practice of a rigorous economy, to avoid burthening the people, and arming the magistrate with a patronage of money which might be used to corrupt and undermine the principles of our Government.

In a letter written May 14, 1801, to Mr. Macon, Jefferson outlined his program for economy as follows:

Levees are done away.

The first communication to the next Congress will be, like subsequent ones, by message, to which no answer will be expected.

The diplomatic establishment in Europe will be reduced to three Ministers.

The compensation to collectors depends on you (Congress) and not on me.

The Army is undergoing a chaste reformation.

The Navy will be reduced to the legal establishment by the last of this month.

Agencies in every department will be revised.

We shall push you to the utmost in economy.

A very early recommendation had been given to the Postmaster General to employ no printer, foreigner, or revolutionary Tory in any of his offices. This Department is still untouched.

The arrival of Mr. Gallatin yesterday, completed the organization of our administration.

Jefferson also said:

I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared.

Members of the Congress, let us heed the wise advice of Jefferson and start economizing before it is too late.

We ought to be able to make a good start on our international-relief programs. The bipartisan foreign policies which we adopted during the late war have now drifted into bipartisan world-wide relief policies.

Our present policies, if long continued, will bring disaster to any political party and to the Nation.

We should realize now that we can never buy peace with American dollars. We tried that approach to world problems before. Our best defense against war with any nation is a strong and solvent America where the citizen supports the Government and does not look to Government for his substance.

During the period we were at war with Germany, Italy, and Japan, our Government made loans, grants, and other relief payments to foreign governments, many who were not in the war, in the amount of over \$48,600,000,000. That was before July 1, 1945.

Since July 1945, we have authorized additional loans, grants, and credits to implement our international policies as follows:

| | |
|---|-----------------|
| United Nations Relief and Rehabilitation..... | \$2,700,000,000 |
| United Nations Organization..... | 41,426,162 |
| Lend-lease (postwar)..... | 2,163,000,000 |
| International Monetary Fund (authorization)..... | 2,750,000,000 |
| International Bank..... | 635,000,000 |
| Export-Import Bank (loans authorized)..... | 2,258,300,000 |
| Loans to Great Britain and Philippines..... | 4,390,000,000 |
| War Department, grants for relief..... | 1,771,926,293 |
| Surplus property sales (credits extended)..... | 1,148,000,000 |
| Greek-Turkish loan (authorized amount)..... | 400,000,000 |
| Relief in occupied areas (Army)..... | 2,230,000,000 |
| International Relief Organization..... | 71,073,000 |
| International Refugee Organization..... | 182,327,468 |
| European Cooperative Administration..... | 4,754,000,000 |
| Other appropriations for foreign or international objectives by Eightieth Congress..... | 300,000,000 |

Total..... 25,495,052,923

Although we have obligated our taxpayers to the extent of more than \$25,000,000,000 since July 1, 1945, the President now asks for \$6,709,000,000 for international affairs in the fiscal year 1950. This request taken alone means an additional tax burden of \$46 for every man, woman, and child in the United States. Money that for the most part will be gone with the wind, insofar as any good it will ever do the average tax-paying family. To many families \$46 is still a sizable sum of money, even in these days of high prices, and high wages. Forty-six dollars to the average family means shoes for the kiddies, and lots of little things that will have to be done without if we go through with this program as the one-worlders want us to.

The big brain trust that helps operate our Government here in Washington has solutions for all the ills of the world and all its peoples.

I sometimes wonder what will happen when we run out of money, and cannot take care of our own people by providing them with honest employment in all the lines of human endeavor. Who will then come to our rescue? Who will make us loans and grants, and supply our people with food, clothing, and shelter? I wonder.

When that day comes, the planners will take over and have the Government provide us with every social need from womb to tomb. The Government will operate the farms and the factories, give everyone free medical and dental care, old-age pensions, and what not. This is the bait that has been held out to people in other countries for hundreds of years, and it has never worked and never will.

But to get back to the President's request for \$6,709,000,000 for international affairs and finance for 1950.

BULK OF MONEY GOES TO ECA

The bulk of the request, that is \$4,500,000,000, is scheduled for the Economic Cooperative Administration. Mr. Paul Hoffman, the Administrator, is honest enough to admit that even this huge sum may not be enough for 1950, and he said he might have to come back for more.

Last year after we appropriated funds for the ECA program, the recipient governments got together and signed agreements with our country and each other agreeing to stabilize their currencies and balance their budgets. They have not done so, and we ought to find out why. Britain alone had a budget deficit last year of over \$800,000,000. But still her socialization plans go merrily on, and this country and her dominions will have to continue to contribute. Stabilized currencies in Europe are far from being a fact. There are black markets of all kinds, and I am convinced that these black-market deals will persist as long as American dollars flow to Europe.

THE TRADE FACTOR

Some of our businessmen argue that we have to help Europe get on her feet if we ever expect to do business there. Now I want Europe to get on her feet as bad as anyone. However, as one businessman, I want our trade with Europe to be down a two-way street in which European dollars are used for European purchases and American dollars for American purchases. As it is now nearly all of our foreign trade is subsidized with our taxpayers' dollars.

Some claim that ECA is stopping the advance of communism in the European countries outside the iron curtain. But is it stopping the advent of socialism? After all both the Socialists and the Communists believe in the philosophies of Marx and Engels. The only difference seemingly is the approach to the dictatorial state as we know it.

The one-worlders and the free-traders who have been boosting for bigger appropriations for ECA sometimes have something more than sentiment to sell.

For example: A study of the cotton shipments authorized by ECA for the month of August 1948 revealed that the firm of Anderson, Clayton & Co., Houston, Tex., received 71.2 percent of the total cotton authorizations for that month, while 65 other cotton firms received the remainder of the authorizations. Mr. William L. Clayton, chairman of the board of directors of Anderson, Clayton & Co., and a former Under Secretary of State, appeared on January 25, 1949, before the Ways and Means Committee, as

an endorser of the then pending reciprocal trade bill, H. R. 1211. Mr. Clayton at that time stated that under the law as passed by the Eightieth Congress "no worth-while trade agreements would be negotiated" and he added "I still feel that that statement was correct." So Mr. Clayton wants reciprocal trade. Remember his firm got 71.2 percent of the cotton business under ECA in August. A measly 147,639 bales.

TOBACCO AUTHORIZATIONS FOR ECA

To December 31, 1948, European Cooperative Administration approved purchase of tobacco in the amount of \$106,400,000. The bulk of the tobacco going to the United Kingdom, Ireland, Bizonia, Denmark and Norway. Forty-nine percent of all the tobacco authorizations were for the United Kingdom, where cigarettes sell for 70 cents a pack. Made principally of American tobacco, supplied by American dollars, the British Labor government ought to be cleaning up in the tobacco business. But are they? Their budgets do not show it. Here in the United States if it were not for the tax a 10-cent pack of cigarettes would be on the market right now. That is the difference between free enterprise and a regimented economy. In a study of the tobacco authorizations for the 6-week period from August 1, 1948, through September 15, 1948, it was found that 34 firms received authorizations for shipments totaling \$13,075,101. Imperial Tobacco Co., a British-owned corporation received nearly 81 percent of the business, practically a monopoly, I would say.

COAL

During the summer of 1948, coal was being shipped by the producers and brokers in this country in huge quantities. In fact in one 6-week period 248 cargoes, averaging more than 9,000 tons each left American ports for European destinations. Here again 4 huge corporations supplied 57 percent of the business, while 26 other firms supplied the remaining tonnages.

ALUMINUM

At the very time last fall, when the shortage of aluminum in this country was most severely felt, ECA authorized purchases from the Aluminum Union Limited, Montreal, Canada, of aluminum ingots in huge quantities for the Ministry of Supply, England. From September 16 to 30, 1948, the authorization amounted to more than 72,000,000 pounds, or about 36,000 tons.

At that very time, aluminum was backing up in England, in France, and in Italy, and so-called scrap in sizable quantities was being shipped to the United States where it was grabbed up by hungry purchasers for as high a price as 32 cents per pound. The aluminum which was sold to the British Ministry of Supply cost but 11½ cents per pound on the average. But, remember, our taxpayers paid the freight. There used to be a saying that "Competition is the life of trade." But there can never be any competition in a deal where our taxpayers furnish the funds to buy commodities like aluminum to be shipped to Europe, and where the Europeans can take their gift aluminum for their own uses, and ship their scrap aluminum

back to the United States, and sell it in the gray markets for a fancy price. Only the shortages here at home, and the failure of our producers to anticipate the market demand during the past year could have made the aluminum deals possible.

OTHER NONFERROUS METALS

Besides the aluminum shipments financed by our taxpayers, we have been shipping large quantities of brass, copper, lead, and zinc, all for free. These are items which we are supposed to be stocking for strategic purposes. But it seems that strategic purposes and national defense have been temporarily sidetracked so that ECA can help Europe to her feet again.

BRINGING HOME THE BACON

Every now and then the Economic Cooperation Administration issues a report called the commodity supplier data. For October 1-15 this report shows that the British Ministry of Food received authorizations for shipments of more than 120,000,000 pounds of bacon from Canadian packing firms. This is what I call bringing home the bacon, the bacon paid for by the toil and sweat of American labor. Bringing home the bacon for John Bull.

Now I have not much confidence in any figures released by ECA. I think they are all rigged up, and I expect some of Mr. Hoffman's assistants will be quick in explaining that these figures were in error.

However it may be, we will be in error if we do not start watching these appropriations and cutting them down sharply. It is a certainty that 145,000,000 Americans cannot go on indefinitely attempting to feed and clothe people in other parts of this world that cannot do these things for themselves.

Let us start now and pledge ourselves to economy in spending both at home and abroad.

THE SPEAKER. Under previous order of the House, the gentleman from New York [Mr. REED] is recognized for 25 minutes.

RELIEF FROM HEAVY EXCISE TAXES

Mr. REED of New York. Mr. Speaker, I am introducing a bill to provide some relief from the heavy excise tax burdens imposed during the war. In my speech of last year, in regard to the income tax, I pointed out that rates of tax in themselves do not bring in revenue to the Government. Too high rates may actually decrease the revenue. The soundness of this position was amply demonstrated by the increased revenues from income taxes in the calendar year 1948 after the adoption of the Income Tax Reduction Act of 1948. This position is equally true in the case of excise taxes. Now that we are entering a stage where we have a buyer's market instead of a seller's market, and competition becomes keener between businessmen, it is very important that the tax laws do not hamper or obstruct the production and sale of goods and commodities which are essential to the well-being and comfort of our people.

There are on the statute books today a great many types of selective excise

taxes. Some are the backbone of our internal revenue system; for example, the taxes on liquor and tobacco. Others are of a temporary nature which were either imposed during the war period or had wartime rates added to the peacetime rates. It is indisputable that some of these new taxes and increased rates were purposely adopted during the war to discourage civilian production from competing with the war program.

I recall very clearly the testimony of Leon Henderson, Administrator of the Office of Price Administration and Civilian Supply, before our committee in 1941. In speaking of excise taxes, he said, and I quote:

Turning first to the proposals for excise taxes, the only case which may be made out for such additional taxation at the present time from a total defense point of view must rest upon its effectiveness in discouraging civilian production which competes with the defense program for men, materials, and machines.

We are now in the fourth year following the end of the war and our efforts, if we desire to make our economy strong and efficient, should be directed toward encouraging civilian production and not discouraging it.

My bill is only a step toward relief from the war excise taxes. It is estimated that the bill will result in a loss in revenue of approximately \$440,000,000 for the year 1950. I wish it could provide for greater relief. However, larger reductions, in my opinion, will have to await the action of the Congress in reducing the enormous budget proposed by the President for the fiscal year 1950, which, when figured on the same basis as other budgets, is approximately \$44,000,000,000. This is the greatest peacetime budget in the history of our country. If we are ever to get our taxes down to a fair and reasonable level, we must reduce the cost of Government and not continue to increase it. As budget expenditures for fiscal 1950 are estimated at approximately \$44,000,000,000, a reduction in expenditures of only 1 percent will take care of the loss in revenue under my bill, and relieve taxpayers of these war burdens.

In the last Congress, the Republicans, with the help of statesmanlike Democrats, succeeded in making important reductions in the budget for the fiscal year 1949.

Former President Hoover has recently made a study of Government reorganization which, if adopted, will result in reducing expenditures by \$3,000,000,000. Reductions such as these are essential for tax relief. What the country needs is not tax increase but tax reduction. I hope the budget for the fiscal year 1950 is substantially reduced so that we can provide further tax relief to the country.

I will now discuss the reductions under my bill in accordance with its arrangement.

The first section, dealing with tax reduction, relates to luggage. Under the existing law, the luggage tax includes ladies' handbags, pocketbooks, billfolds, and key cases. These items fall more in the class of necessities rather than luxuries, and impose an undue burden on the

ladies. My bill eliminates the tax on these articles.

With respect to the remaining articles, the retail tax on luggage is reduced from 20 to 15 percent.

Our committee has had quite a bit of complaint about the retail tax on jewelry. There are certain articles which have been construed by the Treasury as coming under the definition of jewelry which are really necessities. I refer to fountain pen gold points and rhinestone buttons permanently attached to articles of wearing apparel. The bill removes such articles from the jewelry tax. It also reduces the rate of tax on jewelry from 20 to 15 percent of the retail sales price.

Another retail tax which is bearing heavily on our economy is the tax on furs. Testimony before our committee has shown that this tax has had a disastrous effect on the fur market. My bill reduces the rate of tax on furs from 20 to 15 percent on the retail price.

Another tax which has been particularly burdensome upon the ladies is the tax on toilet preparations and cosmetics. Testimony before our committee indicated that baby oils, baby lotions, and baby powders have been classed as toilet preparations by the Treasury. My bill completely exempts these items from tax. It also reduces the retail tax on other toilet articles from 20 to 15 percent. We also had considerable complaint about taxing toilet articles sold to barber shops or beauty parlors for use in the operation thereof. A bill passed the House last year exempting from the tax such articles when sold to barber shops or beauty parlors for their own use. This bill was not considered by the Senate. Under my bill, the same exemption is provided.

Under the existing law, the tax on tires has been construed to apply to tires used on children's toys, ordinary lawn mowers and bicycles. I do not believe that the Congress ever desired to collect a tax on articles of this type. My bill remedies this situation by exempting from the tax on tires, tires manufactured, produced or imported to retail at not more than \$5 each.

Many witnesses appeared before our committee and protested against the automobile tax applying to house trailers. It was pointed out that to tax such trailers adds to the present housing shortage, discriminates against one type of housing as compared with another, and places a severe hardship on veterans, who purchase for housing a large number of trailer coaches. My bill corrects this inequity by exempting trailer coaches from the automobile tax.

In connection with the tax on automotive parts and accessories, the Treasury rulings have been very conflicting with respect to the taxation of rebuilt, reconditioned, and repaired parts or accessories. These rebuilt, reconditioned, or repaired parts should not be subjected to the tax which is intended to apply only to new parts. The bill corrects this inequity by exempting from the tax on automotive parts or accessories, rebuilt, reconditioned, or repaired parts.

Another wartime tax which has been particularly harmful with respect to

schools, churches, and juvenile clubs is the tax on musical instruments. The revenue from this source is not large and musical instruments are used in many cases for educational, religious, and character-building purposes. My bill repeals the tax on musical instruments.

Our committee had brought to our attention an inequity existing in the case of the tax applying to electrical appliances. Under existing law, if a farmer buys a direct motor-driven fan for use in a barn or poultry house or for the ventilation of potato storage, apple storage, or other types of storage, he is required to pay the 10-percent tax applicable to electrical appliances. On the other hand, if he buys a belt-driven fan for the same purposes, no excise tax is applicable. Electric direct motor-driven fans are not luxury items but are used in industry, on the farm, and in commercial establishments for the protection, health, and comfort of workers. My bill corrects this inequity by amending the law to confine the tax to electric direct motor-driven fans of the ceiling, wall-bracket, desk, pedestal, and air-circulator types.

Testimony before our committee disclosed the heavy tax burden on photographic apparatus which is now 25 percent. My bill reduces the tax on cameras and lenses, photographic apparatus, and equipment and any apparatus designed for use in the taking of photographs or motion pictures or in developing, printing, or enlarging photographs or motion pictures from 25 percent to 10 percent. The tax on photographic plates and sensitized paper is reduced from 15 percent to 10 percent. These taxes are typical of those adopted during the war to discourage civilian production.

The war tax on electric light bulbs is extremely burdensome. It is now 20 percent of the manufacturers' price. My bill reduces the rate to 10 percent. Electric light bulbs are a necessity and are used in practically every American home.

The present law imposes a tax of 6 cents per gallon on lubricating oils. Lubricating oil has been construed by the Treasury and the courts to apply to cutting oils, a much cheaper grade of oil than motor oils and which is not used primarily as a lubricant but to carry away chips and cuttings, and to cool cutting machine tools. My bill removes from the tax on lubricating oils, oils designed primarily for use in cutting and machining operations on metals and known commercially as cutting oils.

During the war the exemption from the admissions tax to religious, educational, or charitable entertainments, county fairs and concerts conducted by civilian or community membership associations was removed. The admissions tax from these sources results in very little revenue and is a constant source of irritation to those worth-while and deserving groups. My bill restores the exemptions existing before the war to these groups.

The tax on telephone, telegraph, and radio facilities have been greatly increased during the war period and such high rates are having a very deterrent effect on this type of business. My bill

reduces the war rate from 25 to 20 percent for telephone toll and domestic telegraph, cable, and radio messages. It also reduces the rate on wire and equipment service from 8 to 5 percent.

One of the most troublesome taxes imposed during the war is that relating to the transportation of persons. I regret, because of the large revenue yield from this tax, that I am unable to recommend at this time its complete elimination. The tax interferes with travel by rail or bus which are now in competition with automobile travel. My bill reduces the rate of tax from 15 to 10 percent. This should eliminate, to some extent, the poor man's cost of travel and lessen the expenses of the businessman who is compelled to travel.

Another tax which was imposed during the war and which unjustly discriminates against the farmer and the businessman is the tax on the transportation of property. This tax is at the rate of 3 percent upon the price paid for the transportation of the property except in the case of the transportation of coal where the rate is 4 cents per short ton. This is another tax which I would like to see immediately repealed because it is a distinct burden on the farmer, the businessman, and the shipper. However, since the tax yields a very large amount of revenue, it is only possible at this time to reduce the rate. My bill will cut the rate from 3 percent to 1½ percent and in the case of coal, from 4 cents per short ton to 2 cents per short ton.

The relief provided in my bill is made effective on the first day following its enactment. I regard this as important. If the effective date of the bill was postponed until later, buyers might delay seasonable purchases until after the date the tax reduction becomes effective.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 30 minutes.

WHY I AM OPPOSED TO THE TAFT-HARTLEY ACT

Mr. BIEMILLER. Mr. Speaker, I am in favor of repeal of the Taft-Hartley law. I want to explain in some detail why I am in favor of the repeal of the Taft-Hartley law. I believe this law should be repealed because it is bad for labor, bad for industry, and bad for the general public.

The Taft-Hartley Act has been presented to us, most cleverly, as a safe middle-of-the-road approach to labor problems. It is represented as a compromise between the so-called management excesses of the days before Roosevelt and the so-called labor excesses of the Wagner Act.

It is my conviction that this is not a true picture of the act. It is not a middle-of-the-road bill at all; it undermines the fundamental principles of collective bargaining established by the Wagner Act and returns us to the period of potential management dictatorship which existed prior to 1934. And we can all remember that during that period management, unrestrained by vigorous unions, led us straight into the depression of the early thirties. That period, we will all agree, was bad for labor, bad

for management, and bad for the general public.

The labor laws of the 1930's, beginning with the Norris-LaGuardia Act under President Hoover, were designed to permit organized labor and industry to exercise their natural powers under our social system. They forbade industry to use certain unfair powers which prevented the unions from carrying out their legitimate role in our economy. Some of such illegitimate practices of industry in the field of labor relations were dismissal for union affiliation, yellow-dog contracts, use of professional strike breakers, the company spy and agent provocateur, labor injunctions, use of company gunmen, black list of union members, use of State and Federal troops to break strikes, and other such measures.

Of course, Taft-Hartley proponents say that they would never dream of returning to such nefarious practices. If they did not intend to use these provisions of the act, we may be assured they would never have included them. If you legalize roulette, it need not surprise you to find that somebody wants to operate a wheel.

Some people who were skeptical about the Taft-Hartley Act in the beginning have been lulled into acceptance because they feel that no spectacular harm has been done to labor in the past 2 years. This is true in the main, though there have been a few outstanding examples of hardship, such as the Chicago printers, whose long strike has cost over 11 million dollars. And little organizing has been undertaken for fear of the complications of the law.

One of my constituents has written me a series of specific questions about the Taft-Hartley Act based on the experience of the few months of its existence. He asks what specific harm the law has done to labor, to industry, and to the general public, and what specific good it has done to the same three groups.

I can give my friend answers to these questions, but they will not be answers to the main question, Why do I believe the Taft-Hartley law must be repealed? For the real objection to the act lies, not in what it has done so far, but in what it has the power to do in the future, when it will pay management to invoke its destructive clauses. While there is a shortage of labor, particularly of skilled labor, management will not risk antagonizing it by making full use of the powers given by the act. But when management is more anxious to get rid of workers than to keep them, the picture will be entirely different.

The Taft-Hartley Act is based on the labor views of the National Association of Manufacturers. One might almost say it is legislation of the NAM, by the NAM, for the NAM. Its principal proponents have always known this, and given it support on that basis. They agree heartily with the NAM philosophy that the only good union is a dead union.

Loud protests are made that the act does not seek to weaken or destroy unions or restrict their "legitimate objectives." In fact, a great deal is said about how much the proponents of the act love the

unions; all they ask is to correct a few little injustices to employers.

But let us remember that when the NAM says it is in favor of unions, it means just what Stalin means when he says he is in favor of democracy. The unions favored by the NAM are without power, without national connections, without influence, without funds and without freedom. Unions of this type, we are assured, will be protected under the act. But this is not what the American people mean when they speak of unions.

One of the most effective opponents of communism in American unions is James B. Carey, secretary-treasurer of the CIO. Jim Carey declared at a recent hearing on the new labor bill that unions of workers in Russia are today being operated under a Communist version of the Taft-Hartley law.

My opposition to the Taft-Hartley Act is based on the conviction that the only good union is a live union, one with power to bargain collectively for its members, to win better conditions through that bargaining, and to see that the employers live up to the conditions agreed upon. Anything less than this is a company-dominated union and not a free association of workers.

Supporters of the Taft-Hartley Act insist that the law during its less than 2 years of operation has by no means wrecked the union movement; that there have been strikes and organizing campaigns and every other manifestation of life and liberty. But the act so far has not been tested by depression conditions. Today labor is in demand and it has not paid industry to crack down on the unions and incur labor's ill-will. But when the demand for labor slacks off, then those who supported the act will use its provisions as a weapon to crush the unions and force their destruction.

This view is not merely that of labor. The conservative and authoritative industry publication, *Business Week*, made this statement in an editorial a few weeks ago. The editorial said the Taft-Hartley Act must go because it destroyed the equality between labor and management which it considered of major importance. It admitted in its very frank editorial, that in time of depression the Taft-Hartley Act could and would be used to destroy labor.

Let me read you what *Business Week*, probably the foremost business publication in the country, had to say. The editorial is entitled "Why the Taft-Hartley Act Failed." It appeared in the issue for December 18. This is what this realistic employer organ says:

Most businessmen are realistic. Few are wasting time deploring the imminent doom of the Taft-Hartley Act. To be sure they worry about the statute which will replace it. But most businessmen are getting ready to work with a new set of labor-relations rules.

A change of rules will bring a host of practical problems. Before that happens, there is some point in considering why the Taft-Hartley Act failed, and what may be the lesson of that experience.

For the Taft-Hartley Act did fail—on one of the most important grounds by which a law must be judged in a democratic society. That ground is consent. Only the police

state can enforce a law which is believed to be unjust by the people it affects.

What was wrong was that the Taft-Hartley Act went too far. It crossed the narrow line separating a law which aims only to regulate, from one which could destroy.

Given a few million unemployed in America, given an administration in Washington which was not pro-union—and the Taft-Hartley Act conceivably could wreck the labor movement.

These are the provisions that could do it: (1) picketing can be restrained by injunction; (2) employers can petition for a collective bargaining election; (3) strikers can be held ineligible to vote—while the strike replacements cast the only ballots; and (4) if the outcome of this is a no-union vote, the Government must certify and enforce it.

Any time there is a surplus labor pool from which an employer can hire at least token strike replacements, these four provisions, linked together, presumably can destroy a union.

By going that far, the law defeated itself.

I have quoted this statement from *Business Week* at some length because it comes from a source known to be usually hostile to labor, yet it opposes the act as fundamentally a menace to business and the public as well as to labor.

There are other sources of criticism of the Taft-Hartley Act not from a labor viewpoint. A few days ago I received a copy of a resolution passed by the Common Council of Milwaukee. Since we have nonpartisan election of city officials in Milwaukee, this cannot be construed to be in any sense a labor statement. It reads as follows:

Whereas in 1935 the Congress of the United States enacted the Wagner Act which gave the workman the right to organize into free labor unions and to collectively bargain with his employer; and

Whereas this law based upon the American principle of equality of opportunity was thereafter hailed as the Magna Carta of Labor; and

Whereas the enactment of the Eightieth Congress of the Taft-Hartley Act because of its inequities and inequalities tended to disturb if not actually destroy the fundamental gains made by workingmen in their quest for economic justice: Now, therefore, be it

Resolved by the Major and Common Council of the City of Milwaukee, That we call upon the Congress of the United States now in session to repeal the Taft-Hartley Act, and in its place reenact the Wagner Act as originally enacted; and be it further

Resolved, That copies of this resolution be forwarded to the two United States Senators representing the State of Wisconsin, and the Congressmen from the Fourth and Fifth Districts, and to the clerks of the Senate and House of Representatives.

Another approach to the issue is found in an excellent book by the Reverend George A. Kelly, called *The Taft-Hartley Act, a Moral Analysis*. Father Kelly develops a moral and ethical argument against the act as class legislation based upon interest and prejudice. He established the moral right of workers to strike or work in other ways for higher wages and better working conditions, and argues that the Taft-Hartley Act is immoral in opposing those rights. And he makes clear that conscious reflection upon basic moral or ethical principles would have, or should have, prevented the adoption of many of the most objec-

tionable provisions of the Taft-Hartley Act.

Many other religious leaders have arrived independently at Father Kelly's conclusions. A group of 642 prominent religious leaders of Protestant, Catholic, and Jewish faith have united in condemning it. They stated that the Taft-Hartley Act was a measure calculated to destroy the real strength of a free labor movement by undermining basic principles of collective bargaining, making the Government of the United States a ready instrument of employer resistance to legitimate needs of workers, and subjecting unions to a process of decimation and frustration under Government control.

The National Catholic Welfare Conference has attacked the Taft-Hartley Act as disruptive and called for the elimination of its cumbersome and obstructive provisions.

Let us return for a few moments to the dangerous objections to the act raised by Business Week. First, picketing can be restrained by use of the injunction. Picketing, of a kind which does not lead to violence, is a primary right of unions in calling attention of nonstrikers and the public to their strike. The use of the injunction in this and other labor situations is a reversion to the bad old days. In the 1920's the injunction was freely used in labor disputes and used invariably to restrain labor from organizing, picketing, striking, or carrying on other legitimate acts of a trade union. Injunctions were issued right and left by the labor-baiting judges under the thumb of local employers.

The Taft-Hartley Act not merely revives the use of the injunction, but actually requires the Government to secure injunctions on behalf of employers where there are alleged violations of the prohibitions against jurisdictional strikes and boycotts.

There are also vague and dangerous provisions for the use of the injunction to protect the right of individuals not to join the union; it is impossible under this provision that many ordinary organizational activities may be restrained. There is also a loose phrase about not causing the employer to pay money for services which are not performed; this may be used to restrain a union from demanding paid vacations and holidays, shifts in work loads, and other perfectly normal demands.

The provision for the use of the injunction in emergency situations is one which has had a good deal of popular appeal. However, the definition of emergency is so wide and so open to interpretations in local situations, that it may be used in practically any strike. If the weapon of the injunction is to be used in protecting the public against strikes which seriously affect the public welfare, then the workers and the public must have better safeguards against misuse of this weapon than the Taft-Hartley Act gives them.

Point two in the indictment by Business Week is that employers can petition for a collective-bargaining election. This means that employers may choose a time convenient to them, or may sup-

plant union men with strike breakers for the mere purpose of holding an election to declare in favor of a company union. Those of us whose memories in the labor movement go back to pre-Wagner Act days know that this can very easily happen. It opens the door for those vicious appendages of the open-shop system, the labor detective agency, and the phony employment bureau which hires out thugs and strike breakers. Such practices invariably lead to violence, loss of life, limb, and property and demoralization of the community, which we should all deplore.

The third point raised by Business Week is that strikers can be held ineligible to vote, while the strike replacements cast the only ballots. This is a further invitation for the development of employer tactics of a nature to injure the unions and the community. I cannot warn too strongly against the development of a class of professional strike breakers, under the protection of the law, to beat down wages and beat up workers. Such a development, which is sure to come sooner or later should the Taft-Hartley Act be permitted to continue, would put labor relations back 20 to 30 years. It would turn us back from the theory of "talk it out" to the discarded idea of slug it out.

The fourth point is that a no-union vote, won on the votes of strike breakers, or in the neat phrase of Business Week, "token replacements," would be enforced by the Government, thus making the Government a party to a strong-arm agreement dictated by the employers. This, of course, is not collective bargaining at all. It removes all basis of equality between the two parties. It knocks labor out on a foul and then certifies industry as the new heavyweight champion.

In addition to these four points raised by the editorial in Business Week, there are a number of other provisions in the Taft-Hartley Act which are fraught with danger.

Unions are made suable for the acts of their so-called agents, even though the union had not approved or ratified the acts in question. What could be easier than for an employer to hire a labor spy, place him in the union to win a position of trust, then have him set off an explosion in a struck plant. The amount of the damage would easily bankrupt the union, as well as arousing the public against the strikers.

The legal complications, requirements, prohibitions, and general confusion established by the Taft-Hartley Act have earned it the epithet of the lawyers' paradise. It is, in my opinion, a very bad thing to remove labor-management relations from the hands of labor and management and turn them over to the lawyers. The delays and expense of continuous litigation, the removal of grievances from the field of prompt and direct action by the interested parties to an uninformed and uninterested court, can only result in deterioration of relations. And the delay and expense is, of course, far more important to the union than to management. That was undoubtedly in the minds of those who drew up the law.

One of the foremost experts on labor law in the country, Dr. William Leiserson, has said that the one thing above all others that rendered the Taft-Hartley Act unworkable and chaotic was its maze of legal rules over every conceivable happening in labor relations.

The law against secondary boycotts is an effort to break down the solidarity of labor. It was part of a definite theory of former Congressman Hartley and a number of other extremists to "break the unions down to the local level." The phrase is Mr. Hartley's, not mine. The idea of separating unions from each other and from their own industry in various parts of the country is, of course, quite in keeping with their general desire to make the unions too weak to be effective. Divide and conquer is as effective a rule in labor relations as it is in the international field.

I have a good deal of experience with the "runaway" shop in a number of fields, and I know that this phenomenon is a bad thing for labor, for industry, and for the community. If those employers working under satisfactory agreements, paying good wages, and having good working relations are to be protected the union must be free to operate wherever competition arises. Many a town has suffered serious economic loss because open-shop competition started up out of range of union activity and drained off their orders. This condition has been lessening recently, however, as would-be sweat-shop operators become convinced that the union will follow them north, south, east, or west, and force them to keep wages up and hours down. This is for the benefit of industries and communities as well as for the benefit of labor.

Many industries are organized on a Nation-wide basis. It is absurd to consider the possibility of operating the steel industry or the auto industry on a plant-by-plant basis. It is equally absurd to propose to conduct labor negotiations on a single-shop basis. The steel worker today is not to be treated as a blacksmith's helper, free to bargain as an individual with the individual boss. He is part of a vast and complicated human organization, every part of which is related to every other part. Only a strong Nation-wide union can establish his rights.

One of the worst provisions of the Taft-Hartley Act is the one which outlaws agreements mutually satisfactory to workers and employers if such agreements call for the closed shop. Much nonsense has been written and spoken against the closed shop. Actually it is a condition which thousands of employers as well as unions voluntarily wrote into their contracts because it was not only beneficial to them but also to the consuming public.

Closed-shop agreements, voluntarily entered into, helped to make America the greatest industrial nation in the world. During the last war the highest records for production were made by plants operating under such contracts, which are advantageous to the employer as well as to labor. The employer derives the advantages of stability, efficiency, and

friendly relations with labor. Where there is a closed shop the workers give their very best because they know that the employer has accepted unionism, wants to live and work in harmony with his employees, and is not scheming to destroy the union at the first opportunity.

Furthermore, it is very difficult to explain to the average union member of long standing why the Government should take such tender care of the non-union man who is looking for a free ride. The old-time unionist reasons like this: "I joined this union 20 years ago, when pay was low and conditions terrible. I paid my dues all those years, when the dues were a much bigger bite out of the pay check than they are today. I gave up my evenings for meetings and union work, and walked the picket line and went hungry when we were on strike. Now we are doing well, thanks to the work of the union; our pay is good and we have vacations, sick leave, Saturdays off. I helped the union win all these things. Why do I have to share them with some newcomer who is too stingy to spare a few dollars from the good pay I won for him? Why does the Government say it has to protect his right to a free ride on my carfare?" I support the old-timers' contention that he has a right to insist that the newcomers join the union and pay their share of the carfare through closed-shop agreements.

Labor relations, as many a wise employer has discovered, are really human relations. The problem cannot be solved by passing a one-sided punitive law at the behest of the selfish and discredited National Association of Manufacturers. Only by good will, square dealing, and a sincere compliance with a just labor-relations law like the administration's new labor bill can equality in collective bargaining be reestablished and genuine progress be made in the important realm of labor-management relations.

The Taft-Hartley bill must and will be repealed. This is the will of the American people, clearly expressed at the ballot boxes last November 2. I am sure that there are few, if any, Members of this House who could be at ease with their consciences if they failed to carry out such an unmistakable and mighty mandate of the American people.

When we have removed this blot from the statute books, we may rest assured that both the workers and the fair-minded employers of this country will go forward as never before, each recognizing the rights of the other, both dealing with each other as equals, living and working in harmony for their own welfare and for the welfare of the Nation and the world.

Before I conclude, there is just one final point which I should like to impress upon the House. When the Taft-Hartley Act was jammed through the Eightieth Congress and passed over the veto of the President, our friends in Europe—the democratic, freedom-loving peoples of France, Great Britain, and the other countries where human liberty is still prized—were shocked.

The enactment of the Taft-Hartley Act in 1947 gave a tremendous impetus to the Communist propaganda machine.

To the peoples of Europe and the whole world, the Kremlin pointed to the Taft-Hartley Act and said, in effect, "Well, if you wanted proof, here is the proof that America is the reactionary country we have been telling you it is—a country that squeezes its workers and throws them into chains."

And then last November, when the news went flashing across the oceans that the people of America had overwhelmingly spoken out for the prompt repeal of the Taft-Hartley Act, our democratic friends in western Europe were heartened. They were given new courage to resist the Communists. All this is on the record. It has been fully confirmed in dispatches appearing in the most conservative newspapers of our country. Moreover, it has been fully confirmed by leading American businessmen who have been in Europe and know whereof they speak—such men as Paul Hoffman and Averell Harriman.

There are many, many additional reasons why the removal of the Taft-Hartley Act must receive top priority in the Eighty-first Congress. Within the confines of a single speech it is impossible, of course, to discuss all the dangerous characteristics of this destructive act.

I have indicated some of the major flaws of this vicious law. The facts are known. The Taft-Hartley Act is bad for labor, bad for industry, bad for everyone. We have a mandate from the electorate, and I hope that the Members of this House will act with the utmost promptness to carry out this mandate and put an end to one of the most unfortunate experiments in American history.

A FREE LITHUANIA

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. MADDEN]?

There was no objection.

Mr. MADDEN. Mr. Speaker, the Lithuanian people throughout America are today commemorating with heartfelt gratitude the fact that the United States has not recognized Russia's usurpation of the Lithuanian people.

Lithuania for centuries has fought for independence and self-government—for civic liberty and religious freedom. This fight will continue in the hearts and minds of all loyal Lithuanians regardless of the present power of a gigantic oppressor nation. Freedom cannot be exterminated permanently from a nation whose peoples have for centuries refused to submit to religious oppression or slavery.

The people of this great country are fighting every hour, through various organizations, underground and otherwise, and they will eventually be rewarded with victory and the reestablishment of freedom within their borders.

Lithuania is a tragic victim of Soviet aggression. The people have been deprived of their property rights, human rights, and fundamental freedoms. Over a half million people of Lithuania have been slain or transferred away from their native country. The crimes committed against these people have been con-

demned by the United States and other democratic countries which continue to recognize independent Lithuania and its lawful representatives.

It is the honest desire of the Lithuanian people everywhere that our great country and all free democracies of the world continue to stand by the principles of right and justice and that they will continue to fight for the cause of sovereign rights and self-government for the people of Lithuania.

I want to extend my sincere congratulations to the brave Lithuanian people who are engaging in this fight for freedom to restore their independence and throw off the shackles of a ruthless tyrant.

I know that our President, the Congress, and the Department of State, and all the powers behind our great Republic will be marshaled in the future to aid the Lithuanian people in this battle for righteousness.

ADJOURNMENT

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 8 minutes p. m.), under its previous order, the House adjourned until Monday, February 21, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

229. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a report of the government of the District of Columbia for the fiscal year ended June 30, 1948; to the Committee on the District of Columbia.

230. A letter from the chairman, Commission on Organization of the Executive Branch of the Government, transmitting the Commission's report on the Post Office Department (H. Doc. No. 76); to the Committee on Post Office and Civil Service and ordered to be printed, with illustrations.

231. A letter from the chairman, Commission on Organization of the Executive Branch of the Government, transmitting a study on management, organization, and administration of the Post Office Department; to the Committee on Post Office and Civil Service.

232. A letter from the acting president, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the act to regulate the practice of podiatry in the District of Columbia"; to the Committee on the District of Columbia.

233. A letter from the Secretary of State, transmitting a proposed bill entitled "A bill to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments"; to the Committee on Foreign Affairs.

234. A letter from the Archivist of the United States, transmitting a report of the Archivist of the United States on records proposed for disposal, and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

235. A letter from the President, United States Civil Service Commission, transmitting a draft of a bill entitled "A bill to provide for payment of salaries covering periods of separation and suspension from the Government service in the case of persons improperly removed or suspended from such

service"; to the Committee on Post Office and Civil Service.

236. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend the act of June 18, 1929"; to the Committee on Post Office and Civil Service.

237. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 3552 of the Revised Statutes relating to the covering into the Treasury of all moneys arising from charges and deductions"; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 2101. A bill to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes; without amendment (Rept. No. 142). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. H. R. 2216. A bill to amend the National Security Act of 1947 to provide for an Under Secretary of Defense; with an amendment (Rept. No. 143). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 2660. A bill to prohibit the parking of vehicles upon any property owned by the United States for postal purposes; without amendment (Rept. No. 144). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 110. Resolution for consideration of H. R. 2101, a bill to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes; without amendment (Rept. No. 145). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 111. Resolution for consideration of H. R. 858, a bill to clarify the overtime-compensation provisions of the Fair Labor Standards Act of 1938, as amended, as applied in the stevedoring and building-construction industries, and for other purposes; without amendment (Rept. No. 146). Referred to the House Calendar.

Mr. WILLIAMS: Committee on Post Office and Civil Service. H. R. 20. A bill to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics; without amendment (Rept. No. 147). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 2363. A bill granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) to the Gulf coast and creating the Gulf States Marine Fisheries Commission; without amendment (Rept. No. 148). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 668. A bill for the relief of Alex Ball; without amendment (Rept. No. 134). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 711. A bill for the relief of Mrs. Margaret Gregg Dilnot; without amendment (Rept. No. 135). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1035. A bill for the relief of Mrs. Ada M. Ryan; with an amendment (Rept. No. 136). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 1041. A bill for the relief of Jeannette and Jesus Esteva and their four children; with amendments (Rept. No. 137). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1079. A bill for the relief of Maria Veltri Magnone; with an amendment (Rept. No. 138). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 1460. A bill for the relief of Mrs. Silvia Mapelli; with an amendment (Rept. No. 139). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1508. A bill for the relief of Peter Drozd; without amendment (Rept. No. 140). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 1629. A bill for the relief of Kira and Nina Grigorleff; without amendment (Rept. No. 141). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H. R. 2811. A bill to provide homes for city and farm families of average income, particularly those of World War II veterans; to the Committee on Banking and Currency.

By Mr. BARTLETT:

H. R. 2812. A bill to direct the Secretary of the Interior to sell certain land at South Naknek to the Russian Orthodox Greek Catholic Church of North America; to the Committee on Public Lands.

By Mr. GORSKI of Illinois:

H. R. 2813. A bill to authorize the appointment of one additional circuit judge for the seventh circuit; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 2814. A bill to authorize the appointment of one additional district judge for the southern district of California; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 2815. A bill to confer jurisdiction upon the Court of Claims to determine the amounts due to and render judgment upon the claims of the employees of the Bureau of the Mint, Treasury Department, for overtime work performed and rates of pay authorized but not granted; to the Committee on the Judiciary.

H. R. 2816. A bill providing for the conveyance to the town of Nahant, Mass., of the Fort Buckman Military Reservation; to the Committee on Expenditures in the Executive Departments.

By Mr. LUCAS:

H. R. 2817. A bill to provide for the issuance of a special postage stamp in honor of the work of the soil-conservation districts of

the United States; to the Committee on Post Office and Civil Service.

By Mr. LYNCH:

H. R. 2818. A bill to amend title 28 of the United States Code, entitled "Judicial Code and Judiciary," by adding a new section thereto known as section 1732-b to permit the photographing, microfilming, or photostating of original business records and the introduction of the same in evidence after the destruction of the originals; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 2819. A bill to authorize the appointment of two additional district judges for northern district of California; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 2820. A bill to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended; to the Committee on Public Lands.

H. R. 2821. A bill to amend the act approved June 14, 1926 (44 Stat. 741; 43 U. S. C., sec. 869), entitled "An act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes," to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes; to the Committee on Public Lands.

By Mr. RAINS:

H. R. 2822. A bill to amend Public Law 289, Eightieth Congress, with respect to surplus airport property; to the Committee on Expenditures in the Executive Departments.

By Mr. RANKIN (by request):

H. R. 2823. A bill to provide additional compensation for widows and other dependents of certain veterans; to the Committee on Veterans' Affairs.

By Mr. RIVERS:

H. R. 2824. A bill to provide for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the Reserve components of the National Military Establishment of the United States, and for other purposes; to the Committee on Armed Services.

By Mrs. ST. GEORGE:

H. R. 2825. A bill to provide compensatory time for services performed on Saturdays, Sundays, and holidays by clerks in third-class post offices; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Illinois:

H. R. 2826. A bill to provide for the construction of flood-control improvements at the city of Quincy, Ill.; to the Committee on Public Works.

H. R. 2827. A bill to provide for the construction of flood-control improvements at the town of Beardstown, Ill.; to the Committee on Public Works.

By Mr. VINSON:

H. R. 2828. A bill to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve, and for other purposes; to the Committee on Armed Services.

By Mr. KEATING:

H. R. 2829. A bill to make retroactive section 6 (b) (2) of the act of August 24, 1912 (37 Stat. 555), as amended, dealing with the restoration to Government service of persons improperly discharged, suspended, or furloughed without pay under section 14 of the Veterans' Preference Act of 1944, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOLIFIELD:

H. R. 2830. A bill to provide for the payment by the United States of premiums on bonds of Government officers or employees; to the Committee on Expenditures in the Executive Departments.

By Mr. BOGGS of Louisiana:

H. R. 2831. A bill to provide for payment to certain retired Naval and Marine Corps Reserve officers of a lump sum equal to their active-duty pay and allowances for the period during which such officers remained in an inactive status without pay; to the Committee on Armed Services.

By Mr. GILLETTE:

H. R. 2832. A bill authorizing the construction of flood-control work on the Dyberry River, Wayne County, Pa.; to the Committee on Public Works.

By Mr. POLK:

H. R. 2833. A bill to amend and supplement the act of June 7, 1924 (43 Stat. 653); to the Committee on Agriculture.

By Mr. MCKINNON:

H. R. 2834. A bill to authorize the appointment of one additional district judge for the southern district of California; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 2835. A bill to provide additional compensation for postmasters, officers, and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mr. WITHROW:

H. R. 2836. A bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; to the Committee on Agriculture.

By Mr. BROOKS:

H. R. 2837. A bill to equalize the physical requirements for admission of a cadet or a midshipman to the Military or Naval Academies; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 2838. A bill to amend section 1705 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 2839. A bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; to the Committee on Agriculture.

By Mrs. NORTON:

H. R. 2840. A bill to provide for the investigation of discriminations against women on the basis of sex, to establish policies for the removal of such discriminations, and for other purposes; to the Committee on the Judiciary.

By Mr. MURRAY of Tennessee:

H. R. 2841. A bill to authorize certain administrative expenses in the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOGGS of Louisiana:

H. R. 2842. A bill to provide that certain persons who served in the merchant marine shall not be liable for induction into the armed services under the Selective Service Act of 1948; to the Committee on Armed Services.

By Mr. FISHER:

H. R. 2843. A bill to amend section 2402 (a) of the Internal Revenue Code, as amended, and to repeal section 2402 (b) of the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 2844. A bill to provide for determination through judicial proceedings of claims for compensation on account of disability or death resulting from disease or injury incurred or aggravated in line of duty while serving in the active military or naval service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. REED of New York:

H. R. 2845. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. RICHARDS:

H. R. 2846. A bill to establish the Cowpens Battleground National Military Park; to the Committee on Public Lands.

By Mr. BYRNES of Wisconsin:

H. J. Res. 169. Joint resolution to provide for a 3-month extension of Federal rent controls in order to give the States time to take such action as they may deem appropriate with respect to rent control in their respective jurisdictions; to the Committee on Banking and Currency.

By Mr. SANBORN:

H. Con. Res. 41. Concurrent resolution providing for the printing, as a House document, 30,000 copies of the document entitled "Money Makes the Mare Go"; to the Committee on House Administration.

By Mr. VINSON:

H. Res. 109. Resolution making H. R. 2216, a bill to amend the National Security Act of 1947 to provide for an Under Secretary of Defense, and for other purposes, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to use all possible means to secure the release of Cardinal Mindszenty, of the Roman Catholic faith, and Bishop Ordass, of the Lutheran faith; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States to pass the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Indiana, memorializing the President and the Congress of the United States to enact effective legislation providing for flood control in the Wabash River watershed area and tributaries thereto; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to further consider and make an appropriation in the amount of \$462,000 available to the United States Corps of Engineers for the completion of the authorized Depoe Bay improvement project; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to provide for the construction of a dam across the Mora River at La Cueva, Mora County, N. Mex.; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 2847. A bill for the relief of Mrs. Mildred H. Gibbons; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 2848. A bill for the relief of Leon Nikolaevich Volkov; to the Committee on the Judiciary.

By Mr. COLE of New York:

H. R. 2849. A bill for the relief of Constantinos Dardas; to the Committee on the Judiciary.

By Mr. DAVENPORT:

H. R. 2850. A bill for the relief of Denise Simeon Boutant; to the Committee on the Judiciary.

By Mr. MCSWEENEY:

H. R. 2851. A bill for the relief of Carl L. Sexauer; to the Committee on the Judiciary.

By Mrs. NORTON:

H. R. 2852. A bill for the relief of the estate of Priscilla Crowley; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 2853. A bill to authorize the Secretary of the Interior to issue duplicates of William Gerard's script certificates No. 2, subdivisions 11 and 12, to Blanche H. Weedon and Mattie Ward H. Harris jointly; to the Committee on Public Lands.

By Mr. REDDEN:

H. R. 2854. A bill for the relief of Wade H. Noland; to the Committee on the Judiciary.

By Mr. SHORT:

H. R. 2855. A bill for the relief of Jacobus Van Gangelen; to the Committee on the Judiciary.

By Mr. STEFAN:

H. R. 2856. A bill to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia; to the Committee on the District of Columbia.

By Mrs. ST. GEORGE:

H. R. 2857. A bill for the relief of Anton Bernhard Blikstad; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H. R. 2858. A bill for the relief of M. L. Brewer; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

87. By Mr. CARROLL: Memorial of Colorado State Legislature, memorializing the Congress of the United States to authorize the Reconstruction Finance Corporation to assist local lending agencies in financing disaster-stricken livestock producers and feeders in the blizzard areas of the Western States; to the Committee on Banking and Currency.

88. By Mr. WILLIAM L. PFEIFFER: Resolution adopted by the Common Council of the City of Buffalo on February 8, urging the Congress of the United States to strengthen the rent-control laws by declaring a moratorium for 1 year upon all evictions for any cause except nonpayment of rent; to the Committee on Banking and Currency.

89. By Mr. HART: Petition of the Board of Commissioners of the City of Newark, N. J., urging that our Federal Government use its good offices through diplomatic channels to the end that the unjust punishment inflicted upon Cardinal Mindszenty be revoked; to the Committee on Foreign Affairs.

90. Also, memorial of the New Jersey House of Assembly, memorializing the President and the Secretary of State of the United States to exercise every power at their command to bring about the release of Josef Cardinal Mindszenty and Bishop Lajos Ordass; to the Committee on Foreign Affairs.

91. By the SPEAKER: Petition of Cream City Lodge, No. 1061, International Association of Machinists, Milwaukee, Wis., petitioning consideration of their resolution with reference to requesting the Eighty-first Congress to repeal the Taft-Hartley law and reenact the provisions of the Wagner Act; to the Committee on Education and Labor.

92. Also, petition of city clerk, Scranton, Pa., petitioning consideration of his resolution with reference to requesting the Congress to pass the General Pulaski Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.